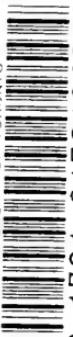


UNIVERSITY OF TORONTO LIBRARIES

A standard linear barcode is located in the top left corner of the label. It consists of vertical black lines of varying widths on a white background.

3 1761 01781648 9

HANDBOUND  
AT THE



UNIVERSITY OF  
TORONTO PRESS

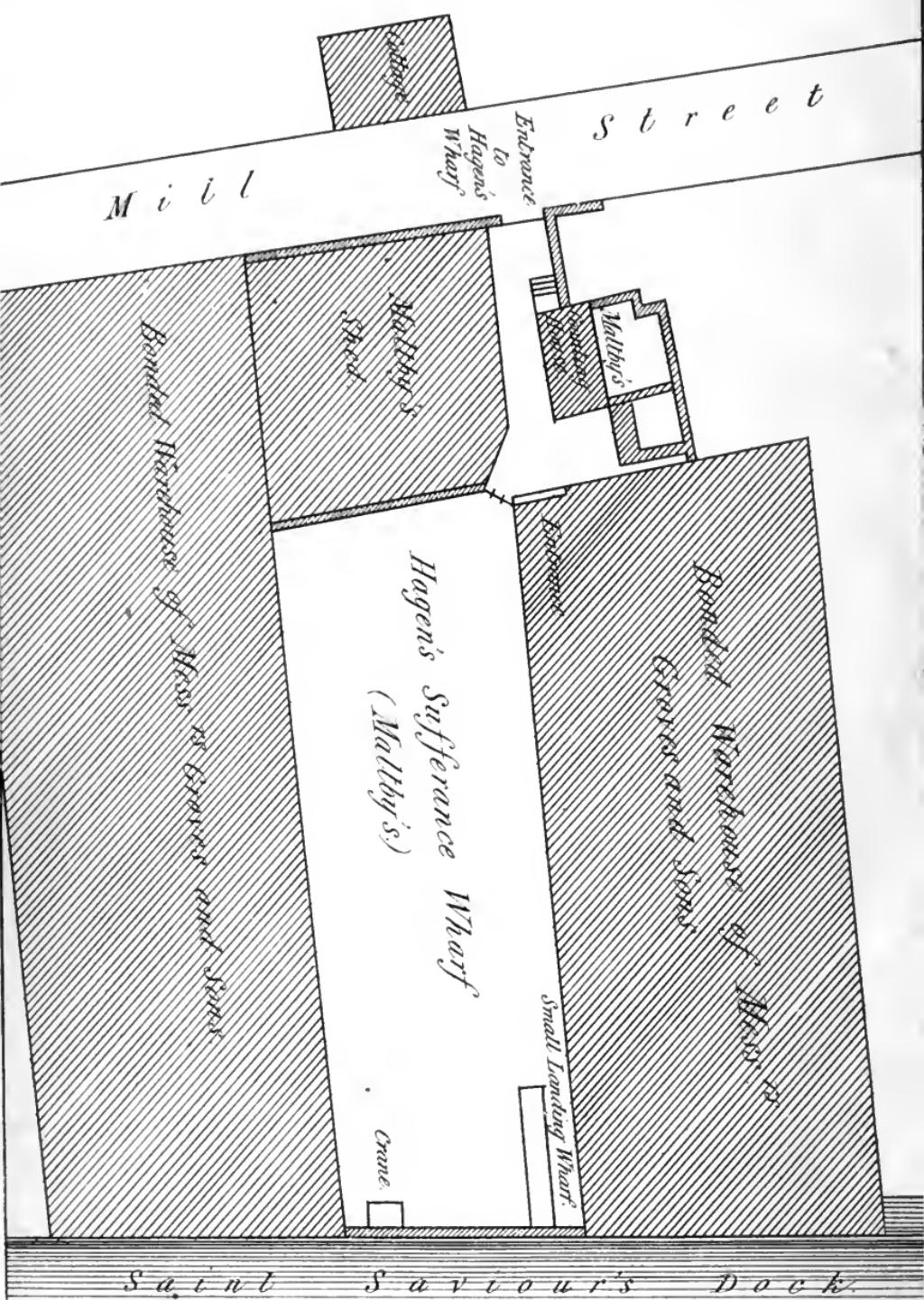
Digitized by the Internet Archive  
in 2007 with funding from  
Microsoft Corporation



T.

8873

59



GROUND PLAN OF HAGEN'S WHARF.

THE  
GREAT CITY FRAUDS  
OF  
COLE, DAVIDSON, & GORDON,

*FULLY EXPOSED.*

BY

SETON LAING,  
*///*  
ASSIGNEE TO COLE'S ESTATE.

— Quoque ipse miserrima vidi,  
Et quorum pars magna fui; —

46872  
- 212.47

LONDON:  
PUBLISHED BY THE AUTHOR.

SOLD BY MANN NEPHEWS, 39 CORNHILL.  
1856

PRICE THREE SHILLINGS.



TO  
THE MERCANTILE COMMUNITY OF ENGLAND,  
BY WHOSE  
EXERTIONS AND INTEGRITY  
THE NAME OF  
THE BRITISH MERCHANT IS RESPECTED THROUGHOUT THE WORLD,  
THESE PAGES,  
DEVELOPING FRAUD,  
DANGEROUS ALIKE TO THEIR INTERESTS, AND TO THEIR  
COMMERCIAL CHARACTER,  
ARE DEDICATED BY  
THE AUTHOR.

MINCING LANE,  
*June 7, 1856.*



## CONTENTS.

---

	Page
Introduction	i

### CHAPTER I.

Early Career of Joseph Windle Cole.... His first Connection with Charles Maltby.... Cole's Partnership with Mr Johnson.... Failure of Johnson, Cole, and Co.... Failure of Sargent, Gordon, and Co.... New Firm of Coles, Brothers.... Nature of Dock Warrants.... Hagen's Sufferance Wharf.... Lease of the Premises.... Re-appearance of Maltby.... His Poverty ... Application to Cole for Assistance.... Appointed Superintendent of Hagen's Wharf.... Assumes Proprietorship of the Wharf.... Cole its Real Owner.... Maltby's Connivance.... His Remuneration.... Not a Licensed Wharfinger till December, 1853.... Messrs Overend, Gurney, and Co.'s Knowledge at that Date of the Existence of Fictitious Warrants	5
--	---

### CHAPTER II.

Suspension of Lackerstein and Co.... Introduction of Cole to Messrs Laing and Campbell.... Cole takes up Lackerstein's Warrants.... His Presumed Motive for doing so.... Cole's first Dealings with Messrs Laing and Campbell.... Negotiation of Loan in 1853 on the Security of Warrants.... Apparent Genuine-ness of the Securities.... Suspicious Rumours.... Other Persons' Goods shown by Maltby as his.... He refuses to deliver them.... Repetition of former Trick.... Renewed Attempt by Messrs Laing and Campbell to obtain the Goods.... Second Failure.... Cole's Explanation.... Messrs Laing and Campbell's Letter.... Maltby denies the Existence of Duplicate Warrants.... Cole makes the same Assertion.... Exemplification of General History of the Warrants.... Failure of Davidson and Gordon.... Flight of Maltby.... Warrant for Cole's Aprchension.... Arrest of Cole.	19
--	----

## C O N T E N T S.

## C H A P T E R I X.

Page

Continuation of the Examination at Guildhall....Mr Ballantine asks for a Com- mittal on Three Distinct Charges....The Depositions read....Opinion of the City Solicitor....Sir P. Laurie resolves to send all the Evidence with the De- positions....Defence of Messrs Overend, Gurney, and Co., by Mr Edwin James....Opinions of the Press on their Conduct....Mr Ballantine's un- answerable Reply to Mr James....The City Solicitor directed to prosecute.... Cole included in the Indictment against Davidson and Gordon....Close of the Examinations....The Three Prisoners committed for Trial....Proceedings in the Central Criminal Court....Gordon found Guilty, but Judgment deferred ....Conviction quashed on Technical Grounds....Second Trial of Davidson and Gordon.... Second Acquittal on a Point of Law....Third Trial....Con- viction....Sentence of Two Years' Hard Labour....The City Prosecution.... Declaration of the City Solicitor....He announces, in July, that his Case is complete....He discovers, in December, that it beset with Difficulties.... ....Correspondence between Mr Laing and the City Solicitor, who continues inactive....Mr Laing's Motive for publishing his Narrative....Necessity for a Public Prosecutor	- 150
Appendix A.—Report of Trial.—Daniel and Others v. Paris and Co.	- 185
"      B.—Messrs Quilter and Ball's Report, with Addenda	- 192

## INTRODUCTION.

---

If the moral improvement of a country bore an equal proportion to its material prosperity, we might well pride ourselves on the vast progress which has been made in England, since the commencement of the present century, in all that relates to the development of her industrial and commercial resources.

But, unhappily, recent events have only too clearly shown that, the greater the prize within reach of the active and honestly-enterprising, the greater the amount of fraud of which the mercantile world are made the victims, and the greater the number of those who, possessing activity and enterprise in superabundance, resort to the most dishonest means to crown their endeavours.

The City of London, the centre of all commerce and the scene of the largest operations that are anywhere

transacted, is especially the arena into which fraudulent speculators most eagerly enter to achieve their nefarious ends. The evil is, in itself, of old date, but it has been reserved for modern times to witness its widest extension.

Amongst the many who have wronged the trust confided in them by the Merchants of London, the associated names of Cole, Davidson, and Gordon stand conspicuous for the frauds which they have perpetrated ; frauds which, it is deeply to be regretted, have, from a strange laxity of commercial principle, been allowed to operate to the disadvantage of the mercantile community.

Something of the history of the transactions of Cole, Davidson, and Gordon, is already known to the public, and more would have been unfolded if justice had been suffered to pursue its even and impartial course ; but the suppression of the City prosecutions in the Central Criminal Court in the month of February last, when the City authorities adopted the extraordinary course of instructing counsel to obtain an acquittal, on the plea that no further punishment could be inflicted on the defendants beyond that to which they had already been sentenced on a former trial,\* has rendered it imperatively necessary that

---

\* "At the Sessions of the Central Criminal Court, on the 6th of February, 1856, Joseph Windle Cole, Daniel Mitchell Davidson, and

*the whole facts* of the conspiracy in which the above-mentioned persons were united should be stated without reserve ; not for the purpose of heaping additional obloquy on *their* heads, but for that of showing in what way commercial credit, the mainspring of all business, may not only be imperilled, but destroyed, by a system founded

---

Cosmo William Gordon were indicted for a conspiracy to obtain goods under false pretences. Mr Wild, Q C., said he was appointed, with Mr Ballantine, to conduct this prosecution on behalf of the Corporation of the City of London ; but after an attentive consideration of the circumstances, they were both of opinion that it would not in any way further the ends of justice to proceed with the present indictment ; and therefore, with the sanction of their Lordships, he should refrain from offering any evidence. The Court was probably aware that three indictments had originally been preferred against the defendants by order of the Court of Bankruptcy, and all the defendants had been convicted, and two of them sentenced to hard labour for two years, and the other to four years' penal servitude. The authorities of the City of London had felt it their duty, in the first instance, to prefer another indictment, in case there should have been a failure of justice upon the other three ; but as a conviction had taken place, *they felt it was now unnecessary to proceed with it.*† Mr Justice Wightman said, that if the learned counsel took upon himself the responsibility of stating that the ends of justice were satisfied by what had already taken place, the Court could offer no opposition to the course that was suggested. Mr Ballantine observed that, even in the event of a conviction, the Court would not inflict any additional punishment upon the defendants. Mr Justice Wightman said he was aware of that. Any fresh sentences would be concurrent with the one already pronounced. The jury then returned a verdict of *Not Guilty*, as regarded each of the defendants, and they were taken back to Newgate."—*'Times'* report, Feb. 7, 1856.

† They *also* felt that, had the trial gone on, it would have been impossible any longer to screen the parties whose influence in the City is so widely acknowledged.

in fraud and upheld by a selfish consideration for personal interests. Had the trial which was thus quashed been allowed to proceed, the three prisoners might, it is true, have escaped without additional punishment; but it is humbly conceived—with all deference to the opinion of learned counsel—that “the ends of justice” would have been still more certainly attained by the production of evidence, not limited to the special purpose of convicting men already sentenced, but capable of showing the full extent of the encouragement and support which those men had received in the prosecution of their dangerous schemes from the influential house of Overend, Gurney, and Co.

It is the object of these pages to adduce the evidence which, on the occasion referred to, was not permitted to see the light. Great obstacles have hitherto been thrown in the way of those whose urgent desire throughout has been to make the truth in this matter apparent, by persons interested in its suppression; but the time has at length arrived when all the circumstances of the case can be as plainly as they will be honestly stated.

## CHAPTER I.

---

EARLY CAREER OF JOSEPH WINDLE COLE.—HIS FIRST CONNECTION WITH CHARLES MALTBY.—COLE'S PARTNERSHIP WITH MR JOHNSON.—FAILURE OF JOHNSON, COLE, AND CO.—FAILURE OF SARGANT, GORDON, AND CO.—NEW FIRM OF COLES, BROTHERS.—NATURE OF DOCK-WARRANTS.—HAGEN'S SUFFERANCE WHARF.—LEASE OF THE PREMISES.—RE-APPEARANCE OF MALTBY.—HIS POVERTY.—APPLICATION TO COLE FOR ASSISTANCE.—APPOINTED SUPERINTENDENT OF HAGEN'S WHARF.—ASSUMES PROPRIETORSHIP OF THE WHARF.—COLE ITS REAL OWNER.—MALTBY'S CONNIVANCE.—HIS REMUNERATION.—NOT A LICENSED WHARFINGER TILL DECEMBER, 1853.—MESSRS OVEREND, GURNEY, AND CO.'S KNOWLEDGE AT THAT DATE OF THE EXISTENCE OF FICTITIOUS WARRANTS.

IN tracing the history of the gigantic conspiracy in which Cole, Davidson, and Gordon were the principal actors, it will be necessary to go back for a period of twenty years, and bring forward other names besides theirs: some, only casually connected with them by business occupations, or the accident of early acquaintance; others, more or less directly allied with the misdeeds which have become so painfully notorious.

Of Cole's career as a man of business this much has been ascertained from the authentic relations of two persons—one of them, Mr Gray, who was a fellow clerk with Cole in the house of Forbes, Forbes, and Co., and the other, Mr John Johnson, who subsequently became his partner. A statement also by Charles Maltby, who will be referred to in ample detail hereafter, confirms the accounts of Messrs Gray and Johnson.

It appears that Mr Gray entered the house of Forbes, Forbes, and Co., in the year 1835, at which time Joseph Windle Cole held the situation of shipping clerk in that highly respectable firm. In the following year, 1836, Charles Maltby, then a young man of about two and twenty, and four or five years junior to Cole, joined the same establishment, and was employed in the capacity of custom-house clerk in the same department as Cole, and immediately under his orders. In consequence of their relative positions the two clerks became very intimate, but with this feature in their intimacy, that, owing to the difference of age, the contrast between weakness and vigour of character, and the official subordination of the one to the other, Maltby yielded at once to the supremacy which Cole asserted and continued ever after to exercise. It should also be mentioned in this place, and the reason for doing so will presently appear, that contemporaneous with Messrs Gray, Cole, and Maltby, in the house of Forbes, Forbes, and Co., was another clerk named Sargent.

The duties which devolved upon Cole in the London

house of his employers were performed by him so satisfactorily, and he had given so many proofs of mercantile ability, that, in the year 1840, the firm despatched him to India, to fill a responsible office under their correspondence at Bombay. After being absent about four years, Cole returned to England on the plea of ill-health, and was subsequently appointed to represent the London firm of Forbes, Forbes, and Co. at Liverpool, as their special agent there. For some reason which has not been explained, Cole ceased, in a short time, to be connected with his principals in any shape or manner, being summarily dismissed from their service. He then came back to London, and in the year 1845 was introduced, at the house of Sargant,\* Gordon, and Co., in Mincing lane, to Mr Johnson, with whom, on the 1st of January 1846, he entered into partnership. This partnership subsisted till towards the close of 1847, when the firm of Johnson, Cole, and Co. suspended payments.† Mr Johnson was at that time in India, but when he heard of the suspension he made immediate arrangements for his return, and reached London in February, 1848, when, according to his own account, he was encountered by reports of having been a party to certain

---

\* The head of this firm was the fellow-clerk of Cole and Maltby, previously alluded to.

† Johnson, Cole, and Co. failed in November, 1847; their total liabilities amounted to 153,000*l.*, and their assets stated at 71,800*l.*; the deed of inspection breaking through, the firm were subsequently made bankrupts, and the estate was expected to realise about fourpence in the pound.—See Evans's 'Commercial Crisis,' 1847 and 1848.

fraudulent practices of which his firm had been accused, the accusations in question proceeding, as he learnt, from Cole and his friends. Mr Johnson states, that in the endeavour to ascertain the exact position of his affairs, he found great difficulty in getting at the books and papers of his firm, Cole during his absence having voluntarily sought the protection of the Court of Bankruptcy, and actually standing to receive his certificate (if unopposed) on the 8th of March 1848. Amongst other discoveries which Mr Johnson says he made after his return was the fact that, on the very day of the suspension of his firm, Cole transferred tangible value in the hands of correspondents at Bombay, Calcutta, and New York, to the extent of upwards of 10,000*l.*, to Messrs Sargant, Gordon, and Co. (who also failed a few days afterwards)\* in exchange for their acceptances for an equivalent amount, which acceptances were distributed amongst friendly creditors. Mr Johnson adds, that "*ex post facto* entries were made in the books of the firm, of bills negotiated on Bombay, many months previously, the proceeds of which were never accounted for by Cole," and that he "knew nothing whatever of the transaction till long after its occurrence."

---

\*The business of this house was afterwards carried on in the names of Davidson, Gordon, and Co., Davidson having been a partner in the firm of Sargant, Gordon, and Co. The last-named firm failed in November, 1847, and wound up under inspection; their total liabilities amounted to 65,254*l.* 1s. 5d., and their total assets showed 10,652*l.* 2s. 10d.; the first dividend was 2s. 6d. in the pound, and some further small amount may since have been paid.—See Evans's 'Commercial Crisis.'

It thus appears that, in the year 1847, Cole was a bankrupt, and, his certificate having been obtained in March 1848, had to begin the world again. But to a man fertile in expedients, possessed of considerable mercantile experience, and confident in his own resources, the prospect presented no difficulties that he was not fully prepared to surmount. Of the damage which his reputation had sustained he took little heed, and relying upon the expectation that future success would throw the past into general oblivion, boldly recommenced business as a general merchant, under the style and firm of Cole, Brothers, though there is every reason for supposing that the "Brothers" (Francis or Frederick, and James Edward Cole) were never associated with him as partners, but were simply employed as clerks, and only put forward as occasion might require. To make use of stalking-horses seems, indeed, to have been a prominent feature in all the arrangements of Joseph Windle Cole, and notable instances of this system are developed in the transactions into which he entered with the firm of Laing and Campbell, which form one of the especial subjects of this exposure.

Although it is unnecessary to state, for the information of the mercantile world, that goods in docks are represented by warrants, which warrants pass current like Bank of England notes, allusion to their nature is desirable here, for the more perfect understanding of the occurrences upon which the prosecution was based which ultimately consigned Cole to a felon's cell in Newgate.

All merchandise, of whatever description, imported into the port of London, is divided into two categories: bonded goods, upon which no Customs' duties have been paid, and goods which are free of duty. Bonded goods are deposited in warehouses, where they remain under the custody of the Officers of Customs until the duties are paid or the goods are re-exported. Free goods, as the term implies, can at any time be disposed of, at the will of the proprietor. On both descriptions of merchandise documents, called Warrants, are granted by the Wharfinger, at the wharf where the goods are landed, which declare that certain goods therein specified, imported by a certain vessel from a certain port, have been entered and are deliverable to certain parties, or their order, by endorsement thereon, on payment of all charges and rent from a certain date. When the holders of these warrants fulfil the conditions last stated, the goods are delivered on presentation, and the warrants themselves are cancelled; but in the interim, while the goods remain unclaimed, the warrants pass from hand to hand, like bills of exchange, or any other transferable security. The ownership or lesseeship of a wharf on which bonded warehouses are erected is, consequently, a guarantee to the public that all the business transacted there is of a straightforward and truly mercantile nature, and it suffices for merchants and brokers to hold the warrants issued by the owner or lessee who acts as wharfinger.

To exhibit a possession of this kind, or rather to have it represented by persons entirely subservient to

his will, was the leading device of Joseph Windle Cole, when, under the name of " Cole, Brothers," he renewed his commercial operations after the bankruptcy of 1847. In the course of his search after such a property, he ascertained, in the year 1850, that a certain wharf in St Saviour's Dock, known as Hagen's Sufferance Wharf, and eminently suitable for the purpose he had in view, was to be let. Its suitability consisted in this particular fact, that, though small in extent and of somewhat narrow frontage, and having on it only a moderately sized shed and a diminutive counting-house, it was flanked on both sides by enormous bonded warehouses, which, to all appearance, constituted a part of the premises of the wharf, though they were in reality rented by a separate firm from the same owner. The power of turning Hagen's Sufferance Wharf to account, Cole at once resolved to obtain, and with this object put forward his brother and nominal partner, James Edward Cole, and an individual named George Harris De Russett, to negotiate for the lease. This was granted to them by Mrs Mary Hagen (the wharfowner), together with that of a cottage on the opposite side of Mill street, Bermondsey,\* for a term of 14 years, at an annual rental of 130*l.* In this lease the premises are thus described :

" All that wharf situate in Mill street, Bermondsey, in the county of Surrey, with the small messuage or dwelling house adjoining thereto, and the foreman's cottage near thereto, situate and being in Mill street

---

\* Vide Plan of the Premises in Frontispiece.

aforesaid, as the same wharf, small messuage, foreman's cottage and premises intended hereby to be demised, which lately were in the tenure or occupation of Messrs Edward and Henry Hagen or their under-tenants, and since of Mr Thomas Ball or his under-tenants, together with the appurtenances to the said premises or any part thereof belonging, except and always reserved out of this demise unto the said Mary Hagen, her heirs and assigns, and her and their tenants and occupiers of the adjoining premises, and the workmen and others in the employ of such adjoining tenants and occupiers, or any of them, full and free liberty at all times of ingress, egress, and regress into, through, and over the said wharf and premises hereby demised, or intended so to be, to and from the adjoining property of the said Mary Hagen, in the same manner and to the same extent in all respects as such liberty of ingress, egress, and regress is now, or has been hitherto used and enjoyed."

On this lease being granted, Joseph Windle Cole at once began to exercise ownership over the wharf, and handed over to a man named Brady, who had been care-taker to Ball, the previous tenant, the keys of the premises, on the part of his brother and De Russett, the new lessees, so that Brady continued to act for them as he had done before for Ball, and he received from the Coles money to pay the men employed from time to time on the wharf.

It is at this period that Charles Maltby, the early associate of Joseph Windle Cole, reappears on the scene.

It would appear (from a statement which was found upon Maltby's person, when he was arrested, on the 22nd of November, 1854, on a warrant charging him with participation in Cole's frauds) that the close intimacy between Maltby and Cole—interrupted only

during the interval when Cole was in India—continued to subsist after they had adopted separate courses of life, for they became (though not very closely) connected by family ties, Maltby's wife's brother, Dr Remington, having married a sister of Cole, and the latter having stood god-father to Maltby's only child; moreover, Maltby always looked up to Cole “as a patron worthy of his respect and gratitude, rather than the familiar friend of former days.” Maltby's poverty had, no doubt, assisted in creating this reverent feeling, for he speaks of his own situation in life as having been “worse than stationary,” and a time at length arrived when he sought the assistance of Cole in his quality of patron, in the year 1849, about a twelvemonth after the “General Merchant” had again begun to throw out his nets. The “Ship Loan and Insurance Company,” of which Maltby was then clerk and underwriter, failed, and he applied to Cole to assist him, if in his power, to procure some other employment. The answer which Cole returned has been preserved, and runs as follows:—

“Dear Maltby,—As I mentioned to you the other evening, my friend, Mr Meale, is still engaged with his old account, but if it suited you to come in here for the next fortnight, from ten or half-past until one, for a guinea a week, it would oblige us till our new youngsters come.—Yours truly, JOSH. W. COLE.

“Send an answer.”

“Friday.”

The answer, it may be presumed, was immediate and affirmative, and Maltby states that he served in Cole's

office (in Bircham lane) "for some time on the terms proposed." A man so needy and so humble as Maltby was likely to be Cole's obedient servant *in any capacity he chose*, and it is not surprising, therefore, that Cole selected his former fellow-clerk as the agent to execute the schemes which he then projected. Cole's first proceeding was to offer Maltby the appointment of Superintendent of Hagen's Wharf, which, he informed him, he had taken "to economise the charges upon his largely increasing trade in metals." Maltby was accordingly introduced to Brady, the care-taker, at Hagen's Wharf, by James Cole, who stated that he himself was going to India, and that Maltby would act in his stead. From that time forward Maltby appeared as proprietor of the wharf, paying wages and performing other acts indicating ownership, until Brady, having some disagreement with him, became desirous of leaving, and gave notice of his intention to Maltby, who declined to receive the notice, and referred him to Joseph Windle Cole as the real and actual proprietor. Being thus appealed to, Cole sent for Brady, and asked him why *he* (Cole) had not received the notice about his leaving, and said that if he had known there had been any disagreement he would have arranged matters amicably; at the same time he urged Brady to remain. The care-keeper replied, he did not know that Cole was *still* proprietor of the wharf, otherwise he would have acted differently, and Cole made answer that the proprietorship was really vested in himself, "conjointly," he added,

“ with other parties.” Up to this time, it is clear, from what has just been stated (and the statement was given in evidence at Cole’s trial on the 25th October, 1854), that Maltby was not aware of Cole’s real purpose in establishing him as superintendent of Hagen’s Wharf, and confirmation of this fact is supplied by the statement that was found upon Maltby, besides various letters of his which contain the assertion that he was only an agent, and not a principal.\* He says : “The wharf was taken in the names of Mr James Cole and Mr De Russett, and I was not aware at the time that my name was to be appended to it. Mr Cole, however, informed me that this was necessary, *as otherwise he would not be able to deposit warrants or securities with his bankers.*” After this it would seem that Maltby tacitly consented to represent the ownership of Hagan’s Wharf, for in all the proceedings which afterwards took place he continued to issue warrants extensively for dutiable as well as free goods, and signed the warrants “Maltby and Co., Wharfingers,” leaving it to be inferred that “Hagen’s Sufferance Wharf” was his, and that the goods named in the warrants were lodged there.

It may be worth while, before this preliminary account is closed, to show what was the price which Joseph Windle Cole paid for services that were to render him so much advantage. Maltby says: “At first my remu-

---

\* The real ownership of the wharf is additionally shown by the discovery of cheques which were given by Cole in payment of the rent, &c.

neration was not fixed; the first year I received 130*l.*; the second, 110*l.* I then remonstrated with Mr Cole, and my salary was fixed at 200*l.* per annum, which was to include, however, payment of the extra duties of keeping the books of Paris and Co.,\* Mr Paris being unable to do so. I had at all times the greatest difficulty in obtaining payment of the quarterly instalments of even this small remuneration. I have never, directly or indirectly, received from Mr Cole any compensation beyond this. I lived in the plainest possible manner, scarcely able to meet my expenses,—the education of my son being provided by the kindness of my relatives. My duties required my attendance at the wharf at about nine o'clock in the morning: I was frequently detained there until late at night; all the documents connected with the business were regularly made up and delivered to Mr Cole; all warrants were made out by his instruction."

As a corollary to Maltby's ostensible position at Hagen's Wharf, it must be mentioned that his name did not even appear in the Customs' books as a licensed *wharfinger*, although he had long assumed the privilege, until the 14th of December, 1853, when he and George Harris de Russett, of No. 4 Birch Lane, gave bond to her Majesty's Customs, with William Maltby, of Grove Hill, Camberwell, for their security; whereupon the Commissioners appointed Hagen's Wharf "a wharf for the lading and unlading of certain goods, landed

---

\* *Vide* Maltby's subsequent transactions with Paris, Appendix A.

under special leave or sufferance" of the aforesaid Commissioners.

It was, without doubt, to fix upon Charles Maltby a more complete responsibility than he had yet incurred, that Cole persuaded him to give the bond at so late a period as the 14th of December, 1853, for by that time the number of warrants purporting to represent goods at Hagen's Wharf had vastly multiplied, and were known by the house of Overend, Gurney, and Co. to be fictitious,\* and Joseph Windle Cole must have been quite

\* In confirmation of this statement it is only necessary to refer to the following evidence given by Mr David Barclay Chapman, of the firm of Overend, Gurney, and Co., in his examination before Mr Commissioner Goulburn in the Court of Bankruptcy, on the 10th of May, 1855:

THE BANKRUPT LAW CONSOLIDATION ACT, 1849.

In the Court of Bankruptcy.

Basinghall Street, London,

10th day of May, 1855.

In the matter of Daniel Mitchell Davidson and Cosmo William Gordon, of Mincing Lane and of Cousin Lane, Upper Thames Street, in the City of London, Colonial Brokers and Metal Agents, and of West Ham Lane, in the County of Essex, Distillers, Dealers, and Chapmen, and Copartners in trade, against whom a petition for adjudication of Bankruptcy was filed on the 20th day of June, 1854.

Before Mr Commissioner GOULBURN.

David Barclay Chapman, of Lombard Street, in the City of London, Money Dealer, being sworn and examined at the time and place above mentioned, upon his oath saith as follows: I should think our firm have had transactions with the Bankrupts since the year 1847 or 1848. The first suspicion I had of the Bankrupts being in difficulties was in October, 1853; my suspicion was created by the discovery that similar

aware that his commercial reputation was a bubble liable at any moment to burst.

---

warrants upon which we had advanced money were not represented by goods at Hagen's Wharf. Upon that discovery I had a communication with the Bankrupt Gordon. I charged him with the fact that the goods were not at the wharf, as represented by certain warrants we held, and upon which we had made him advances. Gordon replied that he had received the warrants from Cole—that Cole had lent him the warrants. He added that Cole, having previously lent him large sums of money, and not having more money, had lent him the warrants.—Q. Did Gordon express surprise that the goods were not at the wharf? I should say he did not.—Were his manner and conversation such as led you to suppose that he was aware of the fact? I should say, yes.—Do you remember whether Cole was present on that occasion? I don't remember whether Cole was present on that occasion. I first spoke to Gordon on the subject of the warrants, but I had an interview with Gordon, at which Cole was present.—Were the warrants at any time produced to Gordon? No, I think not, but they were referred to as the metal warrants he had lodged with us for the metal represented to be at Hagen's Wharf. After I had made the discovery that there was not goods at Hagen's Wharf as represented by the warrant, I did not give any warrants to Gordon, but they have remained in our possession ever since.

EDWARD GOULBURN, Commissioner.

DAVID BARCLAY CHAPMAN.

## CHAPTER II.

---

SUSPENSION OF LACKERSTEIN AND CO.—INTRODUCTION OF COLE TO MESSRS LAING AND CAMPBELL.—COLE TAKES UP LACKERSTEIN'S WARRANTS.—HIS PRESUMED MOTIVE FOR DOING SO.—COLE'S FIRST DEALINGS WITH MESSRS LAING AND CAMPBELL.—NEGOTIATION OF LOAN IN 1853 ON THE SECURITY OF WARRANTS.—APPARENT GENUINENESS OF THE SECURITIES.—SUSPICIOUS RUMOURS.—OTHER PERSONS' GOODS SHOWN BY MALTBY AS HIS.—HE REFUSES TO DELIVER THEM.—REPETITION OF FORMER TRICK.—RENEWED ATTEMPT BY MESSRS LAING AND CAMPBELL TO OBTAIN THE GOODS.—SECOND FAILURE.—COLE'S EXPLANATION.—MESSRS LAING AND CAMPBELL'S LETTER.—MALTBY DENIES THE EXISTENCE OF DUPLICATE WARRANTS.—COLE MAKES THE SAME ASSERTION.—EXEMPLIFICATION OF GENERAL HISTORY OF THE WARRANTS.—FAILURE OF DAVIDSON AND GORDON.—FLIGHT OF MALTBY.—WARRANT FOR COLE'S APPREHENSION.—ARREST OF COLE.

HAVING stated these preliminary matters, we now enter upon the particular transactions between Joseph Windle Cole (representing the house of "Cole, Brothers") and the firm of Messrs Laing and Campbell, Colonial Brokers, of No. 39 Mincing Lane.

On the suspension of the house of Lackerstein and Co., in March 1852\* (who subsequently absconded), Messrs Laing and Campbell held a number of warrants as security for money due to them by Lackerstein and Co., amongst which were several representing spelter† and Swedish steel. Cosmo William Gordon, of the house of Davidson and Gordon, called upon

\* Mr A. A. Lackerstein, of the firm of Lackerstein, Crake, and Co., first failed in November, 1847, and an attempt was made to "wind up" under inspection, but that process not succeeding, the estate was placed under the administration of bankruptcy. The balance-sheet of the bankrupt, extending from 1st January, 1843, to the 10th April, 1848, showed total debits of 209,651*l.* 5*s.* 1*d.*, and a dividend has been realised of 6*d.* in the pound. The balance-sheet of Lackerstein, Crake, and Co. extended from 1st July, 1847, to the 10th April, 1848. The total debts were 133,091*l.* 19*s.* 8*d.*, upon which a dividend of 10*½d.* in the pound has been paid.

A. A. Lackerstein's *second* failure took place in March, 1852; the balance-sheet extended from 1st January, 1850, to the 8th March, 1852, and the total amount of liabilities and debts amounted to 212,000*l.* † with a capital to commence with of 1,700*l.* Up to the present time the estate has paid only 1*s.* in the pound.

† See 'Times,' March 22nd, 1852.

† Spelter is principally produced from the mines in Prussian Silesia, and is imported into this country in large quantities. This article has been free of duty since May 8, 1845, and is used largely for sheet zinc, and in the manufacture of brass and yellow metal sheathing. The present market value is about 23*l.* 10*s.* per ton; and it is sold for arrival, as well as from actual store, and paid for by the buyers, when sold for arrival, in fourteen days after landing, or from date of sale when taken out of actual stock in exchange for warrants.

Messrs Laing and Campbell, at their office, respecting these warrants for metals, stating that they were the property of Cole, Brothers, who were anxious to be introduced to Messrs Laing and Campbell, it being their wish to pay the latter the amount of their advances and to take up the warrants. Mr Laing then accompanied Gordon to the office of Cole, Brothers, in Birch Lane, when his first interview with Joseph Windle Cole took place; previously to which he had been only known to Mr Laing's firm by name.

Cole stated that Lackerstein had improperly got possession of the metal warrants from him, but that he was willing to pay Messrs Laing and Campbell the amount of their advances, and take up the documents. Mr Laing declined giving him the warrants, unless he handed his firm bank-notes, and he then gave them an open cheque for 1,617*l.* 15*s.* (which was duly paid), in exchange for the following warrants, viz. :—

Steel per Albion	-	-	-	32 tons 10 cwt.
„ Belle	-	-	-	40 „
„ Carl Johann	-	-	-	50 „

and on the same day another cheque for 708*l.* 6*s.* 7*d.* in exchange for a warrant of spelter, per Wave, 50 tons.

Messrs Laing and Campbell have no record of these warrants to enable them to discover where the goods were warehoused, but they entertain no doubt that

they were Hagen's Wharf warrants, and fraudulent ones, as Lackerstein and Cole were on very intimate terms and closely mixed up in business ; and as Lackerstein's character did not stand remarkably well at the time of his failure, they are firmly of opinion that his absconding was entirely attributable to his dread of these transactions being discovered, and, consequently, of his being involved in criminal proceedings. Thus the anxiety of Cole to release the warrants from the hands of Messrs Laing and Campbell was no doubt prompted by the fear of their attempting to sell the metals, and by so doing discover the fact of the warrants being fraudulent, which would have led to the immediate breaking up and exposure of the whole system of robbery then in operation. Messrs Laing and Campbell believe that Lackerstein had taken advances on metals from other parties ; and to pay for these must have cost Cole a large sum of money. It was, however, without doubt, of vital importance to him to get possession of these documents, and, moreover, to do so at any cost.

At this period considerable speculation was afloat in the market for cochineal ; and Cole, Brothers, having in the manner above described opened business relations with Messrs Laing and Campbell, gave them instructions to purchase a quantity on account of the former, which was paid for in due course. Further transactions were entered into, all of which were regularly met ; and finding Cole, Brothers, thus regular in their pay-

ments, Messrs Laing and Campbell operated for them largely during the remainder of the year, their account at the close standing thus :

Dr.	Cr.
£103,049 1 6	£79,249 1 6
By balance .	23,800 0 0

But notwithstanding this apparently honest mode of dealing, Messrs Laing and Campbell had not been introduced to Cole more than a month before he began to pass off some of his spurious warrants. He applied to them to lend him a sum of money against metals. When the first loan fell due, it was renewed on the 2nd of August, 1852 ;\* a date which marks the commencement of his fraudulent dealings with Messrs Laing and Campbell.

During 1853 similarly extensive transactions took place ; and at the close of that year Cole's account stood as follows :

Purchase and sale of goods and loans	£110,000
--------------------------------------	----------

In the month of July, 1853, Cole made an application to Messrs Laing and Campbell for the loan of 30,000*l.*, stating as his reason for asking it that he had been pressed for money by Mr Chapman, of the house of Overend, Gurney, and Co., who wished to reduce their account. This amount he afterwards extended to

---

\* These loans were all regularly paid off during the year.

41,000*l.*, and deposited, as security for these advances, warrants for bonded and free goods, tin, cochineal, spelter, &c., lying at different bonded and other warehouses. It was agreed between the respective parties that the advances should be made in such sums as Cole might require, and that he should from time to time deposit with Messrs Laing and Campbell warrants of sufficient value to cover the loans. Accordingly, Messrs Laing and Campbell sent to Cole, Brothers, the following letter:

“39 Mincing Lane, 21st July, 1853.

“Messrs Cole, Brothers.

“Gentlemen,—We have arranged to advance to you 30,000*l.* for three months, on the security of spelter and cochineal, the loan to be taken up within a week, and one clear day's notice to be given, with lists of goods and policy of insurance. Interest at the rate of five per cent. per annum, and three-quarters per cent. for commission.—Waiting your reply, we are, &c.,

“For Laing and Campbell,  
“S. GOODBURN.”

In consequence of the receipt of this letter, Cole, on the 26th of July, sent one of his clerks to the office of Laing and Campbell, with a certain number of warrants, formal in all respects, and having every appearance of being genuine, and bearing on the face of them the declaration that the goods therein specified were Cole's property, and were then in the possession of Maltby and Co.,

wharfingers, at their warehouse, on "Hagen's Sufferance Wharf, St Saviour's Dock."\* Relying on

---

\* Many of these warrants were endorsed by some of the leading German houses in London, which endorsements were obtained in the following manner :

Many of the warrants for goods, in the possession of Messrs Laing and Campbell, lying at Hagen's Wharf, and *purporting to represent* large quantities of metal, bear the genuine endorsements of houses of the highest standing; among others those of Messrs Sieveking and Son, and Messrs Frühling and Goschen. This result was obtained by Cole in the following ingenious manner, and is a further proof of the tact displayed by him, his object being to stamp these fictitious documents with a genuine character (the Hagen's Wharf warrants being only used by Cole for obtaining advances). Cole purchased, either directly or through a broker, large quantities of metal for arrival, or lying on board ship in the river; Cole, or his brokers, then obtained permission from the importers to have the goods entered for Hagen's Wharf, and, although Maltby was not licensed to land duty goods, yet goods free of duty, such as spelter, could be housed by him without a license; this permission of the importers having been obtained by a representation that it was more convenient for the trade to have spelter housed as near one spot as possible, the goods found their way by lighters to Maltby's Wharf, were weighed at once by Maltby, and immediately transferred by him to Messrs Groves and Sons (highly respectable wharfingers), who held the warehouses on either side of Maltby's Wharf. Maltby invariably taking Groves and Sons' genuine documents the same day, deliverable to Cole, Brothers, by endorsement, the genuine warrants of Messrs Groves were immediately taken by Cole into the market and the goods sold, thereby placing him in funds, and this before he had any order from the importers, or in fact any authority over the goods. Maltby, after giving up possession of the goods to another wharfinger, granted his warrants, *deliverable to the importer of the goods*, handed the warrants to the importing merchant, who endorsed the same, and gave them to Cole in exchange for his

the genuineness of the warrants, Messrs Laing and Campbell sent back a cheque on their bankers, Messrs Martin and Co., of Lombard Street, for 10,000*l.*, crossed with the name of Glyn and Co., Cole's bankers, who placed the amount to his credit. In the course of a

---

cheques (being payable fourteen days after arrival of the ship), although at the time of the importer signing the same the document (unknown to him) was of no value, the goods being, in some cases, already sold, and delivered by Cole to the buyer; but in all cases the goods were already transferred to another warehouse-keeper, from three to seven days prior to the issue of Maltby's warrants, as traced by the respective dates of the *genuine and valueless documents*. Attention is also called to another fact:—When Laing and Campbell's suspicions were first excited, Mr Goodburn applied to some of the importers whose endorsements appeared on the warrants, and asked, in confidence, if the signatures were genuine, which he found was the case; one of the importers adding, that to make certain that all was right he had sent down his Custom-house Agent, when the goods were landing at Hagen's Wharf, and saw them weighed in Maltby's custody;\* this information, coupled with the fact that Maltby had shown goods (in Groves's warehouses) said by Maltby to be represented by the warrants, tended for some time to allay the suspicions which were gaining ground that *something was wrong* at Hagen's Wharf; and upon Laing and Campbell mentioning their suspicions to Cole, the latter at once threatened to take proceedings against any † person who should cast a slur upon his character, and positively affirmed that nothing was wrong at the wharf.

\* These goods were, however, transferred to Messrs Groves and Son before Cole paid for them.

† Cole actually did institute proceedings against Messrs Laing and Campbell.—See the following extract from Mr Digby's bill, handed to the assignees:

1854. "Yourself v. Laing and Campbell in the Exchequer.

"July 10th.—Instructions to sue, Exchequer summons and fee, special endorsement, copy thereof, but which it was thought undesirable to serve at present - - - - £1 8 0"

week after this transaction, further applications were made by Cole to Messrs Laing and Campbell, which were responded to by them by further advances, partly in cheques, partly in acceptances, until the whole sum borrowed between the 26th of July and the 9th of August, 1853, amounted to 41,000*l.*, all of which was lent without the slightest doubt on the minds of Laing and Campbell that Cole's transactions were perfectly *bonâ fide*.

This sense of security continued undisturbed throughout the year 1853, nor was it until the month of May following that anything occurred to give rise to a different feeling ; but, about that time, rumours began to prevail in the City that all was not right with the warrants in which Cole, Brothers, had been dealing so largely. These rumours reached the ears of Messrs Laing and Campbell, and the uneasiness which they created quickly grew into apprehension when they found that the reports in circulation assumed greater consistency. They then thought it was time for them to ascertain the fact, by personal inspection, that the spelter and other articles for which they held warrants were actually in Maltby's warehouse at Hagen's Sufferance Wharf ; and, in order to test their own power over the goods, they determined to demand the delivery of some of them, under the pretext of having effected a sale.

Accordingly, on the 18th of May, 1854, they sent by Lucy and Son, lightermen (as is usual when goods

are required to be delivered which are held by warrant), two spelter warrants, together with a form of contract for sale addressed to Cole. The person who lodged these warrants at Maltby's counting-house on Hagen's Wharf was a man, named Wilkins, in the employment of Lucy and Sons, and on the following day, May 19th, he went to the wharf and required the delivery of the spelter. He did not, however, succeed in obtaining it.; and having intimated the fact at the office of Messrs Laing and Campbell, the firm at once despatched Mr Samuel Goodburn, their confidential clerk, to inquire the reason why the goods were withheld. Accompanied by Wilkins, Mr Goodburn presented himself at Hagen's Wharf and demanded the delivery of the spelter, but Maltby replied that before he gave it up he must see Cole on the subject of the rent for warehousing, adding, however, that the goods should be delivered next morning. Mr Goodburn, being impressed with the same desire as his principals to receive ocular demonstration that the goods were really in existence, expressed a desire to see the pile from which they were to be delivered. Maltby did not hesitate to accede to this request, but at once conducted Mr Goodburn and Wilkins into a large warehouse running up one side of the wharf and adjoining his counting-house. He there showed them a pile of goods,\* and said,

---

\* *Vide* Plan of Hagen's Sufferance Wharf, to which the attention of the reader is requested, as it affords a complete explanation of the manner in which the deception was effected, of making applicants for

"That is the pile from which the spelter will be delivered." Upon this Mr Goodburn and Wilkins withdrew, but returned again on the following morning, May 20th, at eight o'clock. Maltby, however, was not there to receive them, and they waited till one o'clock, when he made his appearance. In order that no difficulty might be made about the payment of the rent, Mr Goodburn had in the meantime provided himself with an undertaking from Lucy and Co., which ran as follows :

| "To the Superintendent of Hagen's Wharf.

"Please to deliver the spelter to our craft for which you have warrants ; and in case the sellers do not pay the rent, we engage to do it as soon as loaded."

This undertaking Mr Goodburn showed to Maltby, but he again declined to deliver the spelter, whereupon Mr Goodburn requested to know the amount of the charges, and offered at once to go and get bank-notes to pay them, but Maltby still refused either to state what the charges were or to deliver the goods. Mr Goodburn then asked him to return the two warrants, and Maltby gave them up. Having other warrants about him, eighteen in number, all of which represented spelter and tin in Maltby's (alleged) warehouses, Mr Goodburn produced them, and demanded to see the metals. For the second time Maltby led Mr Goodburn and Wilkins

---

goods suppose that the warehouses on Hagen's Wharf belonged to Maltby, when, in point of fact, they were in the occupation of Messrs Groves and Son, and all the property that Maltby rented on the wharf consisted only of the shed and counting-house spoken of at page 11.

into the nearest warehouse, and, conducting them over the ground floor, pointed out a large quantity of spelter and some tin which he said were represented in the warrants, and were all his.

Returning to Mincing Lane with his object unaccomplished, Mr Goodburn received from Messrs Laing and Campbell two other warrants for spelter, on which the charges had been paid, and gave them on the same day to Messrs Lucy to realise the contents. This attempt was no more successful than the first had been ; and another interview took place between Mr Goodburn and Maltby, when the latter stated that one of Cole's clerks had come down to the wharf and informed him that he would receive a legal notice respecting the delivery of the goods, but that until he did so they must remain where they were ; he added that Mr Goodburn might, on application at De Russett's office in Birch Lane, have the warrants back which Messrs Lucy and Son had last lodged, and, having no alternative, Mr Goodburn accordingly reclaimed them.

The failure of all these endeavours having been reported to Messrs Laing and Campbell, the next step which they took was to write the following letter, which was left at the office of Maltby and De Russett, No. 4 Birch Lane, there being a partnership between those persons :

London, May 22, 1854.

Messrs Maltby and Co., Wharfingers, Hagen's Wharf.

Gentlemen,—We hereby give you notice that we are holders of the warrants specified below, representing certain goods lying at your

wharf, as per annexed list, and we hereby caution you against delivering them to any other party without our sanction in writing.

We are, Gentlemen,

Your most obedient Servants,

LAING and CAMPBELL.

	SPELTER.	Tons.	Cwts	qrs.	lbs.	Warrant No.
Ex Carrier	- - -	-	60	0	0 0	417
Albion	- - -	-	25	4	2 12	418
Martha	- - -	-	45	0	0 19	419
Trientze	- - -	-	30	0	3 0	290
Pietes	- - -	-	50	5	3 15	221
Thanes	- - -	-	100	17	2 5	337
Burgomester	- - -	-	51	9	0 23	276
Concordia	- - -	-	46	19	0 12	383
Isabella	- - -	-	50	11	3 6	384
Lewis	- - -	-	50	15	2 16	261
Arethusa	- - -	-	25	8	0 1	377
M. Milne	- - -	-	75	1	1 14	367
Gesina Justina	- - -	-	35	8	0 22	382
Liberal	- - -	-	48	0	0 24	139
Do.	- - -	-	47	19	0 24	114
Burgomester	- - -	-	50	0	0 0	279
	TIN.					
Pearl	- - -	-	21	14	3 5	331
Diana	- - -	-	32	9	1 20	378

Having accomplished this formality, Messrs Laing and Campbell then addressed themselves to Cole, and received an invitation from him to attend in Birch Lane, and hear his explanation. Mr Laing, therefore, went thither, on the 24th of May, and saw Cole, to whom he stated that he had heard Hagen's Wharf belonged to him and De Russett, and not to Maltby. Cole denied that such was the case, declaring that neither himself nor De Russett had anything to do with the wharf; and that Maltby was the sole lessee. But, how-

ever confidently this assertion was made, it did not deceive Messrs Laing and Campbell, who with every hour's intelligence received fresh confirmation of their suspicions, and on the same day that the interview with Cole took place they wrote the following letter:

London, May 24, 1851.

Messrs Cole, Brothers, Birch Lane.

Gentlemen,—By your own desire we waited on you at the hour appointed by yourselves, in order to arrive at some arrangement respecting the warrants on Hagen's Wharf in our hands, but the matter was again evaded, professing yourselves to be engaged in other matters, notwithstanding the time having been fixed by yourselves. We have expressed to you verbally the very weighty objections we have to the goods continuing at the above-named wharf, and as you still will not come to any definite arrangement with us, we intend to apply for delivery of all the goods there for which we hold documents, and in the event of meeting with any obstacle in the delivery of the whole or any part of the goods in question, we shall at once make application to the Lord Mayor for summonses against the wharfinger, and give notice by advertisement in the newspapers that we are holders of the said warrants, full particulars of which will be inserted.

We are, &c.,

LAING and CAMPBELL.

In pursuance of the intention announced in the preceding letter, Mr Laing, accompanied by his confidential clerk, Mr Goodburn, went down himself to Hagen's Wharf on the same day, May 24th, and there saw Maltby, and showed him all the warrants he held with Maltby's name as wharfinger attached to them, and, in reply to certain questions which he put, received an assurance from Maltby that no duplicate warrants existed, that the signatures shown to him were in his own

handwriting, and that, although De Russett was his partner, the latter had never signed a single warrant. As a further assurance that the warrants were genuine, Maltby also said he held fifteen hundred tons of spelter in the wharf, but when Mr Laing expressed a desire to see the quantity named, he observed that he had received notice of injunction from Cole, Brothers, prohibiting him from acting in any way upon the warrants, and therefore he should not again show the goods. That no stone might be left unturned in his endeavour to satisfy himself that the warrants were genuine, before he resorted to extreme measures, Mr Laing again called on Cole, on the 26th of May, and applied to be permitted to see the goods at Hagen's Wharf, but Cole peremptorily refused to give him an order to that effect, remarking that Mr Goodburn had already seen those which were pointed out to him by Maltby. Another day or two elapsed, and Mr Laing's suspicions having increased almost to certainty, he once more called on Cole, being accompanied this time by Mr Page, a gentleman who had recently joined his firm as a partner, and in his presence directly accused Cole of having given him spurious warrants. The answer which Cole made was a declaration, upon his honour as a gentleman, that he had done no such thing, that Mr Laing's suspicions were quite unfounded, and that the whole of the property was perfectly safe. Messrs Laing and Campbell, however, thought it right now to consult their solicitors: inquiries were set on foot, and although

Cole could no longer be seen, discovery was made that not less than eighteen of the warrants handed by Cole to Messrs Laing and Campbell, and held at that time by them, amounting in marketable value to the sum of about 18,000*l.*, were altogether spurious and valueless.

As an exemplification of the general history of these false warrants, those cases are selected which formed the subject of the charge on which Cole was convicted, when tried for fraud in the Central Criminal Court, on the 26th of October, 1854.

This charge embraced the goods imported by the ships Diana and Pearl.

First, as to the cargo of the Diana:—It was found that the ship Diana had arrived in the Port of London on the 13th November, 1852, from New Diep, with 2,091 slabs of Banca tin. That they had been lightered from the ship by one Henbrey, at the Bonded or Sufferance wharf, called the Platform wharf, belonging to Messrs Groves and Son, licensed wharfingers. That on the next day after the landing was complete, Messrs Groves had been required to grant, and did grant, seventy-one warrants for the delivery of the whole of the cargo in different lots to Cole, Brothers, or their order, by endorsement. That Cole had circulated those warrants amongst the commercial world, and that, by means of his endorsement, the 2,091 slabs of tin had been delivered by Groves and Son from their bonded warehouse, Platform wharf, to the different holders of the warrants so endorsed by Groves; so that at the time of the discovery not a single slab was in the possession or under the control of Cole or Maltby, and consequently that the warrants signed “Maltby and Co.,” held by Laing and Campbell, were mere waste paper, there being no tin, as represented in such warrants, at Maltby’s warehouse, Hagen’s wharf, and that at the time when his warrant for the Diana’s tin bore date, Maltby had no authority from the Customs to deal with foreign tin, or other dutiable goods, nor was his warehouse one where such goods could be legally lodged, he not having been licensed till the 14th

December, 1853, the next day after the tin was obtained from Groves's wharf.

Secondly, as to the Pearl:—It was discovered that the 700 slabs of tin mentioned in Maltby's warrant were not warehoused in any place belonging to Maltby, and consequently that he had no authority to issue any warrant respecting them, and that whether such 700 slabs had ever come from the ship Pearl or not, they were slabs which were carted to Groves's warehouse, adjoining Hagen's wharf, by land carriage, and received by Groves by virtue of an order from "Maltby and Co.," dated 24th May, 1852, and for which Messrs Groves were required to issue, and did issue, their warrant in favour of Cole, Brothers, authorising the receipt by them, or their order, of the 700 slabs of tin, which warrant Cole endorsed and circulated, by means of which endorsement Messrs Pickersgill and Son became possessed of the 700 slabs, and brought in Messrs Groves's original warrant to be cancelled, taking in exchange one in their own names; so that of the tin by the Pearl, like that by the Diana, neither Cole nor Maltby possessed a single slab when the 10,000*l.* was obtained of Messrs Laing and Campbell, in July, 1853, nor when inquiry was made of them in May, 1854.

The frauds were effected in this way:—Cole had, no doubt, a consignment of tin by the Diana, and he obtained possession of 700 slabs of tin, which he represented to be imported by the Pearl—perhaps *bona fide*. Having these parcels of tin at two different places, and warrants upon them, it was easy for him, and Maltby his tool, to get the forms of warrants struck off by a printer,\* styling the wharf he held as Hagen's Sufferance wharf, which had been leased for fourteen years to James Edward Cole and George Harris De Russett, and of which premises Cole had full control, and the possession of

---

\* The engraving for the warrant plate for Hagen's wharf was made by Messrs Rowe and Kentish, 'Change Alley, but they were not allowed to print them off; and all the efforts made to find the plate, or who struck them off, have been unavailing. The order for the plate was given to Rowe and Co. by Maltby, about June, 1852; but there are warrants still in existence which have been struck from a different plate, evidently showing that two different plates were being worked.

which was handed over to Maltby. It was also easy, being possessed of Messrs Groves's warrants, to make duplicates of them, varying in copies only as to the names of wharf and wharfinger. Maltby's warehouse (or shed) was on, and formed part of, Hagen's wharf.\* Groves's warehouse adjoined Hagen's wharf, and Groves had a right of way over and through it.† Nothing, then, was more easy than to fix a time to show at Maltby's the goods in Groves's warehouse, for which genuine warrants were in circulation. By the two simple expedients, therefore, of a duplicate spurious warrant, and the assumption of ownership over Messrs Groves's warehouse, Maltby could issue his warrants in favour of Cole for the very same goods for which Groves had already issued warrants, Cole could endorse them, and the holder (if he entertained any doubt) could be shown goods as if in the possession of Maltby.‡

---

\* *Vide* Plan of wharf.

† *Vide* Terms of lease, *ante* p. 11.

‡ Messrs Groves and Son's explanation as to Maltby showing goods to various parties in their warehouse is accounted for in the following manner:—Soon after Cole took Hagen's wharf, Maltby called upon Messrs Groves and Son, at their office, Platform wharf, Rotherhithe, and represented himself as Cole, Brothers' agent, stated that he had taken Hagen's wharf (lying between Messrs Groves and Son's warehouses in Mill street, as shown by plan), and that he had such large quantities of metal coming to his wharf that he should not have room for it in his shed, and asked if they would allow him to place the metal, as it arrived, on their ground floors, he (Maltby) weighing and stowing the goods, and receiving the landing charges, and Messrs Groves and Son to have all the rent. This arrangement being entertained by Messrs Groves, Maltby shortly after asked permission to show the goods so housed to any of Cole's customers who might apply to inspect the quality. This Messrs Groves acceded to, looking always upon Maltby as Cole's agent. The machinery being now in working order, Cole and Maltby set to work, Cole influencing importers as much as possible to send their metals, as he said, *to his friend Maltby*. Their success is best seen in other parts of this work. Cole and Maltby were not satisfied with making duplicate copies of Messrs Groves and Son's warrants, but in some cases slightly varied

Hence it became apparent that as to the tin by the Diana,—so far from any tin by that ship (as described in warrant) being in Maltby's warehouse at Hagen's wharf, from Rotterdam, on the 27th July, 1853, when the cheque for 10,000*l.* was obtained, no such tin was there at all. The tin so described had been imported from New Diep, and lightered from the ship to Groves's Platform wharf (a mile distant from Hagen's wharf) in November, 1852, and no other tin had arrived from that ship since the date of the warrant, 23rd November, 1852. And so far from Maltby having any authority to issue warrants for such tin, or Cole to endorse and order delivery to Laing and Campbell, or any one else, by means of such warrant—on the contrary, Cole had employed the lighterman to lighter the tin to Platform wharf, and on the next day, after complete lodgment, had demanded and obtained warrants for the whole of the tin from Groves, the owner of Platform wharf, and had indorsed and circulated such warrants in the commercial world, and so dispossessed himself of all right and title to such warrants, or the property they represented; which warrants were afterwards acted upon by the holders, as legally they might be.

Then as to the tin of the Pearl:—So far from any tin by that ship (as described in warrant) being imported by the Pearl from Amsterdam, and entered by C. Henbrey, and warehoused at Maltby's warehouse, Hagen's wharf—on the contrary, the tin had never been under Maltby's control at Hagen's wharf; it had been brought by a

---

the warrants, although for the same goods. In one case, Messrs Laing and Campbell traced a parcel of 50 tons of spelter, imported by one vessel (being all she brought), issued in the following forms:—

Warrant of Messrs Groves and Son for about 50 tons, deliverable to Cole Brothers.

Warrant of Maltby's for about 50 tons, deliverable to the importing merchant.

Warrant of Maltby's for about 50 tons, deliverable to Cole Brothers.

Making in all about 150 tons out of 50; Hagen's wharf warrants, as before said, being used by Cole exclusively for the purpose of obtaining advances, Groves and Son's warrants being used by Cole for the sale of the goods.

waggon, and not a lighter, and deposited by Maltby with Groves, in his warehouse adjoining Hagen's wharf, in July, 1852. So far from Henbrey having made entry of the tin—on the contrary, he had done nothing of the kind. So far from Maltby having any authority to issue such warrant for such tin, or Cole to demand or accept the same on the 30th of August, 1852, and indorse order for delivery to Laing and Campbell, or any one else, on the 29th of July, 1852,—on the contrary, Cole had previously, on the 24th July, 1852, demanded and obtained warrants for the whole of the tin from Groves, and by endorsement the property became vested in the house of Messrs Pickersgill and Sons, who were the legal holders.

Then as to Maltby's title to deal with or to warehouse dutiable goods:—So far from his having possessed such right on the 30th August, 1852 (the date of his warrant), or on the 29th July, 1853 (when the 10,000*l.* were obtained),—on the contrary, he did not obtain any licence to act in the warehousing of bonded goods\* till the 14th December, 1853.

Thus it is made manifest that, on the 29th July, 1853, the sum of 10,000*l.* was obtained by Cole of Laing and Campbell by means of false pretences as to the tin represented by the warrants of Maltby by the Diana and by the Pearl.

The month of June, 1854—a period memorable in the annals of commercial swindling—had now arrived, and the fraudulent career of Cole was rapidly drawing to a close.

On the 19th of that month the city of London was startled by the intelligence which met every merchant on 'Change, that the house of Davidson and Gordon, whose transactions were known to be of enormous extent, had failed, and that the principals had absconded two days previously. This event was the natural and immediate precursor of the downfall of Cole, who also stopped pay-

---

\* Tin in July was still liable to duty.

ment on the 27th of June; and that nothing might be wanting to complete the history of his failure, his myrmidon, Maltby, disappeared the same day. His track will be followed presently, as well as that of Davidson and Gordon hereafter, but something more remains to be said of Cole before the final step was taken which deprived him of his liberty.

As soon as Cole's stoppage was known, Messrs Laing and Campbell made several attempts to obtain interviews with him, but without success. They continued in the mean time to investigate the position of the securities which they held, until the actual fraudulent nature of them became plain, and through the instrumentality of their confidential clerk, Mr Goodburn, they made the discovery, on the 4th of July, that the warehouses supposed to be Maltby's actually belonged to Groves and Son, of Rotherhithe. They then consulted Messrs Humphries, Son, and Morgan, the solicitors, of Giltspur Chambers, Newgate street, and under their advice applied, on the 8th of July, for a warrant against Cole, which they obtained, and gave the necessary instructions to Daniel Forrester, the Mansion-house officer, offering at the same time a reward of 100*l.* for Cole's apprehension. Great difficulties were, however, thrown in the way of the execution of the warrant, which was withdrawn two days after it was granted, owing to an opinion expressed by Mr Goodman, the Lord Mayor's clerk, that the Lord Mayor ought not to allow the warrant to be executed, in consequence of some

information which had been subsequently given him by Mr Goodburn, Messrs Laing and Campbell's confidential clerk, respecting certain spelter having been shown the latter at Hagen's Wharf, which appeared to indicate that the spelter-warrant issued by Maltby, upon which proceedings had been taken, was genuine. Fresh informations had therefore to be laid, and it was not till the 17th of July that a warrant which could be acted upon was finally granted. In the *interim*, although the proceedings were conducted privately, means were adopted by his friends to make Cole aware of all that was going on, and he repeatedly sent his clerk, Nichol, to Messrs Laing and Campbell to endeavour to make some arrangement with them, offering to give them balances due by various firms to Cole—by Gillanders and Co., of Liverpool, and others—which offers they of course declined in any way to entertain. Failing through the medium of his clerk, Cole then sent his solicitor, Mr Digby, who called at Messrs Laing and Campbell's offices in Mincing Lane at least a dozen times, and on every occasion urged the strong desire of Cole to relieve them of the warrants for goods which they held. On one of these occasions, when Messrs Laing and Campbell doubted his authority to make any proposals with the object of compromising with them, Mr Laing expressed it as his opinion that Cole was not at the time in London, and asked Mr Digby to obtain a letter from Cole authorising him to act. Mr Digby replied that "he could do that in half an hour," and requested Mr Laing to mark a

sheet of note-paper, and he would bring Cole's authority upon it in writing. Within an hour Mr Digby returned, bearing a letter in Cole's handwriting, of which the following is a copy :

" Messrs Laing and Campbell.

" Gentlemen,—Mr Digby, solicitor, of Finsbury circus, who presents this to you, will communicate with you on the writer's behalf, in respect to your unfortunate loss.

(Signed)

" *Josh. W. COLE,*  
For Cole, Brothers."

Upon one occasion Mr Digby offered Messrs Laing and Campbell the sum of 1,500*l.* for delivery of the warrants, but they refused to listen to him in any way, being resolved to proceed against Cole on a criminal charge. It may be observed that one of the arguments employed by Mr Digby at this interview to induce Messrs Laing and Campbell to come to terms was the statement that all the spurious warrants had been withdrawn, excepting only those which they held ; and there is little doubt that this statement was so far true that none of them would have been acted on, and that but for Messrs Laing and Campbell the whole affair would have been hushed up, for reasons sufficiently obvious.

The warrant for Cole's apprehension was now out, but there is much likelihood that its issue would have been ineffectual, had the execution of the warrant depended only on the exertions of Mr Daniel Forrester, the officer to whom it had been entrusted. Cole continued at large on the 17th and 18th of July, and so

much at large, that casual information reached Mr Laing that he had been seen on the last named day, very quietly walking in Cornhill. On the receipt of this news Mr Laing promptly acted. He sought out Daniel Forrester, and told him what he had heard, and that he must now do his duty, and placed at the disposal of the Mansion-house officer a very intelligent young man, a clerk in his office, named Thomas Croker, who knew Cole by sight, which Daniel Forrester said he did not. On the 19th of July the following arrangements were accordingly made for securing the person of Cole. At five o'clock on the afternoon of that day, Mr Laing appointed to meet Forrester in Cornhill, accompanied by Thomas Croker. The meeting took place, Mr Laing withdrew, and Forrester and Croker took up a position in 'Change Alley, immediately opposite Cole's offices in Birch Lane. Forrester then said, as he was too well known in the city to admit of his being seen loitering about, that he should withdraw for the present, but that he would send a person to act with Croker, whom the latter would recognise by a given sign. Upon this Forrester retired to a neighbouring public-house, and shortly after a man approached Mr Croker, wearing the dress, and having all the appearance of a common labourer, who gave the sign agreed on. For three hours the stranger and Croker patiently waited, watching the entrance to Cole's offices. Various persons passed in and out, but not the right man, until eight o'clock in the evening, when, greatly to the

satisfaction of Thomas Croker, the delinquent Cole made his appearance. Croker whispered to his companion, that the "party" they wanted was in sight.—"Are you sure of it?" was the question.—"Perfectly," was the reply.—"To be quite certain, go close up to him, and if you are right take off your hat; I will then step forward and detain him till Forrester, who has the warrant, comes."—This *programme* was instantly carried out: the hat was lifted, the stranger accosted Cole, who seemed undecided which way he should bend his steps, Croker ran to the public-house for Forrester, and before Cole was well aware of what had taken place he was in custody. He glanced at the warrant, made no remark, and gave himself up a prisoner. It is more than probable that, had he not been captured that night, he would the next day have been far enough off, having 320*l.* in his possession.

On his person when he was taken were found a number of warrants for goods, two of which were genuine, and the remainder, about sixteen in number, representing goods of the amount of about 30,000*l.* stated to be lying at Hagen's wharf, all fictitious, but regularly endorsed.\*

---

\*. *Vide* List on the next page.

LIST of WARRANTS taken from Cole by Forrester, the Officer, when he was apprehended.

LDIG { 1 bag of Cochinal.....Warrant No. 37,174.....Entered by Presy and Co. } Deliverable to Sargent.  
 3 bags of Coffee Sweelings....." No. 26,618.....Entered by Presy and Co. } Deliverable to Sargent.  
 per Lord Auckland

LYING AT HAGEN'S WHARF.

	Tons	Rent.	Date.	Deliverable to.	Date.
Keg Steel.....	32 10 0	0.....ex Albion.....from Gottenburg.....	28th July, 1851.	Rew, Prescott, and Co.	28th July, 1851.
Speller .....	51 1 3 11	.....ex Eolus .....from Stettin.....	J. P. G. Smith	.....2nd June, 1854.....	7th June, 1852.
"	27 11 3 26	.....ex Joseph.....from "	" "	29th Nov., 1851.	29th Nov., 1851.
"	51 8 2 10	.....ex Pauline .....	" "	3rd May, 1852.	3rd May, 1852.
"	23 19 3 1	.....ex Edward Saleh .....	" "	7th Feb., 1853.	7th Feb., 1853.
"	50 0 0 0	.....ex Christhe .....	" "	1st June, 1854	.....26th May, 1851.
"	50 0 0 0	.....ex Zephyr.....from Hambr .....	" "	1st June, 1854	.....22nd Dec., 1851.
Sheeting Copper...	20 0 0 0	.....Inland Navigation.....from Davidson and Gordon	" "	1st June, 1854	.....20th May, 1854.
Sheet Copper .....	20 0 0 0	.....from "	" "	1st June, 1854	.....20th May, 1854.
"	20 0 0 0	.....from Freeman and Co.	" "	1st June, 1854	.....20th May, 1854.
Sheeting Copper...	20 0 0 0	.....from "	" "	1st June, 1854	.....20th May, 1854.
Keg Steel.....	35 0 0 0	.....ex Nordsvrginia.....from Gottenburg, Nov. 19, 1851....Deliverable to and endorsed by F. Huth&Co. 19th Nov., 1851.			
"	50 0 0 0	.....ex Carl Jallan .....	" "	Dec. 8, 1851....Del. to andend. by L. Engstrom, Neame, & Co....8th Dec., 1851.	
Tin...400 slabs .....	12 7 1 6	.....ex Queen .....		Delivered to J. P. G. Smith....Dated 1st June, 1854	.....14th Aug., 1852.
" 1064 "	33 1 0 7	.....ex Diana .....	from Rotterdam	" "	Dated 1st June, 1854
" 1038 "	32 15 1 1	.....ex Diana .....	from	" "	Dated 1st June, 1854
				" "	.....23rd Nov., 1852.

## CHAPTER III.

---

MALTBY GOES TO OSTEND.— HIS ATTEMPTS AT SEL-FEXCULPATION.— LETTER FROM COLE TO MALTBY.— CORRESPONDENCE BETWEEN MALTBY AND MR DIGBY.— MALTBY ADVISED TO REMAIN ABROAD.— A LONDON DETECTIVE OFFICER SENT TO APPREHEND HIM.— DIFFICULTIES IN THE WAY.— GREAT ASSISTANCE RENDERED BY THE BRITISH FOREIGN OFFICE.— EXPULSION OF MALTBY FROM BELGIUM.— HIS RETURN TO ENGLAND.— INTERVIEW WITH MR DIGBY IN LONDON.— MALTBY ARRESTED AT BRENTWOOD.— HE IS CONVEYED TO NEWGATE AND DIES THERE.

A NARRATIVE of Maltby's proceedings after his flight from London may here be appropriately introduced: it is derived chiefly from the record of them afforded by the papers which were found upon him when he was captured at Brentwood in Essex.

It appears, then, that when Cole became aware he must of necessity stop payment, one of his principal objects was to get Maltby out of the way, and thus prevent the production of the most material evidence against him. The stoppage took place on Tuesday, June 27th, 1854; on the same night Maltby embarked on board a steamer for Ostend, where he arrived on the following day, and by the first post sent Cole intimation of the

fact, requesting at the same time a remittance of money, the balance of salary then due to him.

It is not necessary to refer to the letters addressed by Maltby to his wife further than to say that he expressly states in them that he left England "*at Cole's advice and request*," and admits that he had been "*deeply to blame*," but that *when the business had gone on in the same way for years* he felt every confidence in Cole. We pass on, therefore, to the following letter from Cole himself, dated July 13, 1854: "My dear Sir,—All I can inform you at present, in answer to your inquiry, is, that I think, until Davidson and Gordon's affairs are settled (*and their solicitor, Mr Elmslie, I am told, is exerting himself to mitigate the angry feeling against them*), it is much more wise for you to pursue the course you have done. It might be more comfortable to you, as you do not like where you are, to go on to the lively capital, and to live somewhere in the environs, but your address ought not to be known to more than one party here, if you wish to avoid annoyance. *Captain Remington has been here, and says he has been to Masterman's, and told them it was your signature to an account there, which makes some noise here, as it had been said to be Mr De (Russett).*\* As you will probably move further *at once*, let me know your address, and news of interest shall be sent to you. Address to Mr Digby. Yours, I. W. C."

---

\* *Vide Appendix A.*

For the first three or four weeks after Maltby's arrival at Ostend he had given his address, in the communications he was directed to open with Mr Digby, at the Poste Restante, but on the 20th July he wrote word to him that his residence was "No. 16 Quai des Pêcheurs," and urgently requested information "of the progress of matters in which he felt deeply interested, and in the greatest anxiety." To this letter Mr Digby replied in terms by no means calculated to allay Maltby's anxiety.

" 1 Circus Place, Finsbury Circus, 22nd July, 1854.

"Sir,—Having been consulted by you, I think it right to inform you that circumstances of several descriptions have been divulged, *any of which might seriously affect you*, and to advise you not to return to this country just at present. You should not be induced to come here on any representation that might be held out of your being personally excused *with reference to particular transactions*, as I have reason to believe that good faith would not be kept, and it might turn out that you would find yourself entrapped with a view to *some other transaction of a different character*.\* I cannot add more.—I am, &c., Arthur Digby."

This letter was answered by Maltby on the 24th of July. In it he says: " I am most anxious to learn my exact position as to all occurrences, being myself free from all blame in any transactions alluded to. Of course I must

---

\* An evident allusion to the forgery of Paris's name to the bill of exchange. *Vide Appendix A.*

not be a sufferer as to character, to protect which I must be allowed to act as I may suppose best. I beg the kindness of your earliest advice and information referring to enclosure sent by yesterday's post." (This was an inquiry as to whether he could be compelled to leave Ostend, or be taken away from thence under any pretence whatever.) "I should be safer from annoyance if I went on to Ghent, but have returned as above to former address."

No consolation, however, came from Mr Digby, who wrote in the strongest terms to advise Maltby not to return to England. He told him it would be an unfortunate step for him to come for some little time, said Maltby might rely upon his watching his interest in his absence, and offered to see and advise with him more particularly,—anything but an interview on the British side of the channel. Mr Digby's next letter, dated July 25th, 1854, was intended as a *quietus*; he brought the whole force of the laws to bear on the unfortunate Maltby: — "Sir, I have only further to say, that if you *could* succeed in clearing your character, it would be undesirable for you to remain away; but *this seems to me impossible, until further progress is made in settling Messrs Davidson and Gordon's matters*. You must not overlook, that whoever may have advised you to do certain things, you (as the party doing the act) are criminally responsible, and no explanation you could give would, I fear, free you. The law as regards any act of a criminal nature is, that no urgency on the part of another, short of actual physical

compulsion, is any excuse for the person committing the act. It would not be deemed the slightest excuse, that a master told his servant to steal, or to do any other act which would render a liability to criminal proceedings. In fact, in criminal cases all are principals, whatever their position between themselves. Supposing even some parties would, at present, for the sake of getting your evidence, agree to overlook your fault, there are others who would immediately attack you, *especially as to the bills you signed, of a positive intention in doing which I have in fact had intimation, and you may therefore rely it is by far, very far the best plan you can pursue, to keep away quietly, till progress is made here in lessening the number of charges that might be made against you,—* which I have reason to hope will soon be done, if you are not yourself too hasty and indiscreet. *Mr Paris will certainly get you arrested for forgery if you come, till he is a little more pacified.\** As to expenses, no doubt some of your family or friends will remit. There will also, I expect, be something arising from what was left on the wharf, not taken for the rent, which is to be sold forthwith, and the surplus brought to me, and out of this I may have something coming to you. You had better avoid France, as I have just had intimated to me that Forrester had been instructed to get you entrapped somewhere, if practicable, and

---

\* *Vide* Trial in Appendix A.

your brother William has, I understand, heard of a similar intimation.—I am, &c., Arthur Digby."

On the 28th July, Mr Digby writes to tell Maltby it has transpired that a charge of conspiracy was to be attempted to be made out against him, respecting matters at the wharf. He also informs him that he will be safe from interference in any part of Belgium, as there was no treaty between that country and England to render up parties upon any alleged offence. He adds : "It may be well, however, not to be too near the water, lest you should be inveigled on board ship."

A few days later, August 3rd, referring to the sale of goods on the wharf, mentioned in his letter of July 25th, Mr Digby says : "I have had an offer, but before concluding any bargain, I should prefer having *a letter from you requesting me to sell* what may remain at the wharf belonging to you; and after deducting expenses of sale, &c., to remit to you the proceeds, and stating in what manner I had best send it. I shall also be glad to have a letter from you to me, to obtain the keys from Toomy, and authorising me to pay him what may be owing. This had better be on a separate piece of paper, that I may show it to him as my authority for you in case of need."

It was, of course, Mr Digby's object to endeavour to make it appear that Cole was not the owner of the wharf, but that Maltby *was*. The latter, however, would not "own the soft impeachment," but persisted, as he did

throughout, that he always acted as Cole's servant. He accordingly replies: "I have to acknowledge the receipt of your favour of 3rd inst. I conclude that you have *instructions from Mr Cole* as to the goods at the wharf, which I suppose to be sufficient, *as I never acted in any way without his orders*. Upon my leaving England, I gave him up the key to procure books, papers, &c. ; and *by his order* Mr Atkins (at the cottage opposite the wharf) has always kept the keys, who, no doubt, will hand them over to you." In a postscript, he adds: "I do not conceive I have any title to proceeds of, or authority over, any goods at the wharf." Failing in his direct application to Maltby to compromise himself, Mr Digby tried another expedient. On the 8th of August he wrote: "The reason of my writing to you for authority to Toomy to give up the keys, was because he had made objections to give them up to any person but myself, Mr Atkins having left and entrusted them to him; and he still makes objection on similar grounds. *Perhaps he may have had some promise made to him, on condition of his giving information respecting you, for he has become rather mysterious in his manner.*"

But matter more pressing than the ownership of Hagen's Wharf occupied Maltby at this moment. Three days after the receipt of Mr Digby's last letter, Thain, a detective officer of the City police force, made his appearance at Ostend; being sent thither by Messrs Laing and Campbell, to endeavour to arrest him.

Maltby soon discovered that his position was becoming insecure, for, on the 13th August, he writes to Mr Digby to tell him that the Chief Commissary of Police at Brussels had sent for his passport, with directions to the police at Ostend to forward full particulars respecting his arrival and stay in Belgium ; adding that he is informed, if a sufficient case were made out against him, he should be expelled, or given up to the British authorities. This information he obtained, it is believed, through the medium of a Belgian Commissary of Police, named Henmin, whom he paid to keep him *au courant* of any steps that might be taken against him.\* For a time the proceedings produced no result beyond increasing Maltby's anxiety to get to some safer place further off ; Aix-la-Chapelle, within the Prussian frontier, being the point he was desirous of reaching. Indeed, this city had been suggested by Mr Digby, who was still desirous to increase the distance that separated Maltby from England. " Supposing," says Mr Digby, on the 15th August, "(which I can hardly think possible) you could not get passed into Prussia, you had better make for Calais (or a French town where there is an English Consul), and, getting a passport

---

\* Maltby says in one of his letters to Mr Digby : " I have, and will use all interest to thwart the objects of the parties who are most actively endeavouring to procure my expulsion. I procured my passport from the British Consul here, which, *by assistance of a kind friend*, was well reported upon when sent up to Brussels with their forms."

from him, *proceed through France*, which you can do all the way by rail at no great expense." Mr Digby then gently applies the screw as before : "I can quite enter into your feelings as to the state of suspense you are in; but, *depend upon it, that is nothing compared to the suffering you would have to endure in prison here. And I can assure you that, at present, and until further progress is made in settling Davidson and Gordon's matters, there is no possible chance of your escaping many criminal prosecutions here, or of your avoiding conviction upon the bills, the most serious charge being felony*, because, I repeat, under whatever circumstances you may have been induced to sign, and however palliative you may think them, the acts have been yours; and you are, in the eye of the law, the responsible party." Mr Digby does not close this pleasant letter without renewing his application for authority to sell what remained on Hagen's Wharf; and it appears he succeeded in obtaining a conditional order for the delivery of the keys: "on the receipt of which," says Mr Digby, "I will endeavour to get the thing sold off, and balance remitted to you. Meantime, I remit you 20*l.* herewith, on account ; and in another month you will probably be able to be more free in your movements. If you preserve strict confidence, you may rely on my at once advising anything that interests you." Three days afterwards, Mr Digby again urges Maltby to shift his locality, observing—"It will, no doubt, be more safe to be further away from the water

than Ostend ;" and, as an additional reason, he tells him, "*Mr Cole's* trial is to take place about the 19th or 20th of next month." To Mr Digby's most disinterested advice Maltby, however, demurs, replying in these terms, which shows how accessible the Ostend police were to golden arguments : " As to my remaining here, if I can be allowed to do so, I think it more desirable, and safer than the interior. Wherever I may go in Belgium it is the same, as the police must have every knowledge of my residence ; and, besides, *here I have a kind friend who is well known to all the officials,\* and through whom I can use every means to frustrate any attempts as to being inveigled on board of ship.*"

Notwithstanding the exertions of his " kind friend," the authorities at Brussels were not satisfied respecting Maltby, and again he wrote to Mr Digby for advice, who replied to him with the following shrewd suggestions : " I should advise your moving about: it is obvious the more countries you go through, the more difficult the search for you must necessarily be, and *I conceive you might get into Prussia through Holland.* Should you, however, be taken—which I do not apprehend at all probable—I would advise you to abstain from making any explanations or statements of any kind relative to these matters, until you have seen me." Between the 23rd and 27th of August, Maltby went

---

\* This was his landlord, a person named Freymann.

himself to Brussels, to endeavour (through an advocate learned in the law, a Belgian prototype, possibly, of his London friend) to obtain permission from the Minister of Justice to remain in Belgium, but he returned without success, and fearing expulsion and apprehension, he wrote to Mr Digby urging him to help him to make a good defence. In reply, Mr Digby sent over his clerk, Mr Sharp, to confer with Maltby on the state of his affairs, and on the return of his emissary wrote again, on the 30th of August, to urge Maltby "to be moving," either with a passport or without one, hinting, benevolently, that the order from the Belgian government might be to deliver him up to the British authorities, instead of expelling him. Still justice in Belgium seemed to move with slow feet, for the first week in September went by, and Maltby was still unmolested. Thain, the detective police officer from London, who was again on the spot (having only staid a week the first time—returning on the 22nd of August), sent word of the difficulty he experienced in accomplishing his object, and an application was then made, on the 7th of September, to Lord Clarendon, by Mr Martin, M.P. (of the firm of Martin and Co., of Lombard street), in the following terms :

" My Lord,

" My friends, Messrs Laing and Campbell, have to-day received another letter from the police officer at Ostend, stating, that up to the present date he is still without any further instructions from Brussels, respecting the promised expulsion of Maltby from Belgium. Messrs Laing and Campbell assure me, that unless Maltby is captured

and brought to this country, a very serious difficulty may arise in the conviction of Cole, the day for whose trial at the Central Criminal Court is now close at hand. Under these circumstances, I have been most earnestly requested by those gentlemen to urge the prompt affording of some further facilities for effecting this most desirable object, as the just exposure of a case of this nature is of the utmost consequence to the entire mercantile community, both as regards the enormity of the offence itself, as well as the magnitude of loss involved."

This letter produced an immediate effect: on the 8th of September the Belgian "Administration de la Sureté Publique" dispatched a Royal decree of expulsion to be served on Maltby without delay, and in the letter which accompanied the order, it was stated that "the English officer of justice at Ostend, for the purpose of watching the movements of Maltby, would be informed by the Burgomaster of the steps taken on account of this individual." It was arranged, in consequence, between the Ostend police and Thain, that the latter should be present when the order for expulsion was served, but the former did not keep faith with their London colleague; for, though they served the order at Maltby's lodging as they were commanded, they took care to do so without Thain's knowledge, and when Maltby was absent. The latter, assisted by his "kind friend," M. Henmin (who was promised more for his assistance than he ever received), succeeded in getting to Rotterdam, where, to cut off the trail altogether, he embarked on board an English steamer for Great Grimsby, which place he reached safely enough, but in a very bad state

of health. On leaving Rotterdam he wrote to Mr Digby to inform him of his movements, and begged him to address a letter in reply to "Mr Morley, Post-office, Great Grimsby." After this Maltby appears to have gone to London, where he had an interview with Mr Digby, and then to have returned to Brentwood, in Essex, from which place he writes on the 21st of September, saying: "Since seeing you I have felt deeply anxious as to having the authority of *R. P. and others*\* for my signing, and I do trust you will do all in your power to get it as soon as possible." On the 22nd, Mr Digby answers this as follows:

"I have been given to understand that there never existed any distinct authority from *R. P.*, and there are no available means for obtaining it, as he has become very hostile, and would, I think, promote any steps against any one whom he thought had had anything to do with the bills, for he considers (or affects to do so) that he has been very badly used by all parties concerned with the business. *An action was brought against him on one of the bills, and a verdict obtained, notwithstanding his evidence, denying his authority, and execution issued; to avoid which he is, I believe, out of the way, and other actions are pending against him.* The only thing to be done would be to get proof of authority given indirectly, which could only be done by oral evidence in Court by the different persons who intervened with reference to them."

---

\* Richard Paris and Co.

Beyond the intimation given to Maltby that Cole's trial was postponed till the October Sessions, no correspondence of any importance appears to have passed between the former and Mr Digby; but on the 19th October Maltby writes:

"I think the time has elapsed when you told me that you expected information as to the proceedings on the other side; having depended upon you for information and advice how to proceed, I must beg to request you will not allow me to remain in ignorance. Surely the particulars of the charge (if any) against me can be learnt upon application to the proper parties, or where the warrant was taken out; without such or any information, you must allow I am now acting in the dark, being unable to form any opinion myself—and indeed I must be guaranteed fully that my being absent during Mr Cole's trial is desirable for my own part."

Mr Sharp was sent down to Maltby to confirm the subject of the preceding letter, and then the correspondence closed with the following characteristic letter, dated the 23rd October, 1854:

*"Sir,—I have communicated to Mr Cole what passed between yourself and Mr Sharp on Saturday last, but have not yet been able to obtain a definite reply. I need hardly tell you that the fact of Mr Cole being incarcerated in Newgate prevents much facility of communication, and you will not, therefore, be surprised at my not being in a position to give you a positive answer to your proposition this evening. I will, however,*

obtain one to-morrow, and you shall hear from, or see me, by to-morrow evening. I still advise, as I have always done, your remaining quiet until Mr Cole's trial is over ; you cannot be in a worse position then than now, and by waiting and watching the course of events, you may, and probably would, be in a much better one, and be better prepared to take your trial Mr Cole will be tried on Wednesday, when, if you are still so determined, you can come up and surrender yourself, and take your trial. Should you do so, perhaps you will make some appointments for seeing me on your arriving in town. With reference to some of the matters discussed on Saturday, I find Mr Laing's clerk, in his examination before the Lord Mayor, swears that on his going to the wharf to see the goods, you represented to him that yourself and Mr De Russett were the principals. I must again remind you that, assuming all you say to be true, the fact of your acting as the servant, or by the direction of another, is no excuse in law for the commission of a crime, nor would it save you from conviction."

This appeal succeeded. Maltby did not appear, and Cole was tried alone ; with what result will appear in the next chapter.

Of Charles Maltby little now remains to be said : his anxieties were nearly at an end—and so was his life ! Thain, the detective officer, who had returned from Belgium, but still held the warrant for his apprehension, received information from Mr Laing that Maltby was

staying at Brentwood. He accordingly went down there on the 22nd of November, and met him walking with his wife. The officer accosted Maltby, saying he was glad to have come across him at last. Maltby observed that he had not the pleasure of knowing him. "Oh dear!" exclaimed Mrs Maltby, "this is the gentleman we used to see at Ostend."

The game was now up: Maltby read the warrant; his first question to the officer was: "Are Davidson and Gordon in custody? They are worth a hundred Coles!" On being answered in the negative, he said no more but surrendered at once. He was then conveyed to London, a brief examination took place at the Mansion House, and he was conveyed to Newgate. A week afterwards —on the 30th November—*he was found dead in his cell!*

## CHAPTER IV.

---

COLE EXAMINED BEFORE THE LORD MAYOR.—REMANDED, AND FINALLY COMMITTED TO NEWGATE FOR TRIAL.—TRIED IN THE CENTRAL CRIMINAL COURT, 25TH OCTOBER, 1854, AND FOUND GUILTY OF MISDEMEANOUR, IN OBTAINING MONEY UNDER FALSE PRETENCES.—SENTENCED TO PENAL SERVITUDE FOR FOUR YEARS.—PUBLIC OPINION ON COLE'S CASE.—DIFFICULTIES ATTENDANT ON THE PROSECUTION.—REFUSAL OF MESSRS OVEREND, GURNEY, AND CO. TO GIVE ANY INFORMATION BY MEANS OF WHICH THE FALSE WARRANTS MIGHT BE TRACED.—HOW MESSRS OVEREND, GURNEY, AND CO. PROFITED BY ADOPTING THIS COURSE.

ON the 20th of July, the day after the arrest, Cole was brought before the Lord Mayor for examination on the charge of having uttered false warrants for spelter and tin, with a view to defraud Messrs Laing and Campbell, to the extent of above 17,000*l.* The prisoner was defended by Mr Clarkson, but notwithstanding the acuteness of the learned counsel he failed to obtain the discharge of his client, who was remanded on bail, himself in 2,000*l.*, and two sureties in 1,000*l.* each, with twenty-four hours' notice to be given. These sureties could not be obtained, some of the persons who were offered being

objected to, and others, who were applied to on behalf of Cole, having declined. Remands consequently took place from week to week until the 18th of August (fresh charges having in the *interim* been brought against the prisoner by Messrs Laing and Campbell and W. H. Lord and Co.), when Cole was finally committed to Newgate to take his trial at the September Sessions of the Central Criminal Court. In consequence, however, of the absence of material witnesses, the trial did not actually come on until the following Sessions, when, on the 25th of October, the prisoner was arraigned. Though many of the particulars given in evidence on this occasion are repetitions of facts already stated in these pages, it has still been thought desirable to present the trial in a complete form, and the following report of it, taken from the *Daily Commercial Gazette* of Thursday, October 26, 1854, is accordingly given below :

*TRIAL OF J. W. COLE FOR FORGERY.*

(Expressly reported for this Paper.)

---

**CENTRAL CRIMINAL COURT.—(WEDNESDAY.)**

---

*Before LORD CHIEF BARON POLLOCK and MR JUSTICE MAULE.*

JOSEPH WINDLE COLE, whose case was adjourned from last session on the ground of the absence of several important witnesses, was placed at the bar for trial upon serious charges of fraud which have created so much excitement in the City.

Mr Bodkin and Mr Giffard appeared for the prosecution. The defence was conducted by Mr Edwin James, Mr Clarkson, and Mr Ballantine.

Mr BODKIN, for the prosecution, observed that the prisoner was

charged with fraud, under circumstances which imparted to the case an universal degree of interest in a commercial community, where so much depended on the faith and probity of those who had dealings with each other. It was the custom of foreign merchants who imported goods into this country to place them at a wharf, where they remained until it was convenient to the importers to take them out. For each parcel of goods so placed in a wharf a warrant was given, which certified that the wharfinger was the holder. These warrants resembled bills of exchange, and entitled any person to whom they were endorsed to claim the goods of which they were the representatives. It was, however, from the abuse of that system that the present charge arose, and the gentlemen who prosecuted in the case had been victimized by the prisoner, in conjunction with a person named Maltby, who was indicted with him, but who had absconded, and could not now be found. The system carried on was that of signing and circulating warrants for goods which were purely imaginary; but to accomplish this, it would of course be necessary for the person perpetrating the fraud to have an accomplice representing the wharfinger. Maltby had taken a wharf on the banks of the Thames called Hagen's Wharf, and this was joined by a warehouse held by Mr Groves, well filled with goods such as those in which the prisoner professed to have in store upon the wharf. The wharf was so constructed that any person, who from curiosity or suspicion desired to see the goods on which the warrants were issued, would see the property of Mr Groves, and be deluded into the idea that it was the property of the prisoner and Maltby. The indictment charged the prisoner Maltby with falsely representing to Messrs Laing and Campbell, the prosecutors in this case, that two warrants which they delivered in July, 1853, to those persons upon an advance of money, were warrants which duly represented that Maltby was then in possession of the goods mentioned in those warrants, and that Cole had disposable power over those goods, and, by endorsing the warrants to Laing and Campbell, was in a position to transfer those goods to them on the payment of their warehouse charges. On those warrants the prosecutors made advances. Rumours, however, subsequently reached them, which induced them to make some inquiries into the validity of the documents. In May of the present year they affected to have sold the goods, which they were entitled to do, and then it was they discovered the fraud which had been practised upon them. He should call evidence which would substantiate clearly the charge against the prisoner, and would clearly establish against him the commission of frauds, which had most serious consequences.

Mr SETON LAING, colonial broker, carrying on business in Mincing Lane, in partnership with Mr Campbell, was the first witness examined. He said—I knew the prisoner Cole, and about the 15th of July, 1853, had some communications with him upon the subject of the advance of money. The securities were to consist of warrants: we agreed to advance 30,000*l.* for three months at 5 per cent. per annum and  $\frac{3}{4}$  per cent. commission. After sending a letter to that effect, I saw Cole, who told me he agreed to take the money on the terms mentioned in the letter. The securities were to consist of spelter, tin, and cochineal—bonded goods, upon which the money was to be advanced according to their

value. The warrant, of which the following is a copy, was sent, together with a memorandum in the handwriting of the defendant, to Mr Laing :

“ Hagen’s Sufferance Wharf, St Saviour’s-dock,  
“ London, Nov. 23, 1852.

“ Warrant for banca tin, imported in the ship Diana, from Rotterdam, entered by C. Heubrey; deliverable to Cole, Brothers, or their order, by endorsement hereon, on payment of all charges and rent from this date, 1,052 slabs, weighing 32 tons, 9 cwt., 1 qr., and 20 lbs. —No. 378.

“ MALTBY and Co., Wharfingers.”

There was another warrant for banca tin, imported in the ship Pearl, from Amsterdam, which was also produced by the witness.

A cheque, of which the following is a copy, was forthwith transmitted to the defendant :—

“ No. 52—68, Lombard Street, London. July 29, 1853. Messrs Martin and Co., pay to Messrs Cole Brothers, or bearer, Ten Thousand Pounds.

“ £10,000.

“ LAING and CAMPBELL.”

The cheque was crossed to Glyn and Co., the bankers of the defendant, and was paid in the course of business and returned to Messrs Laing and Campbell, and no suspicion whatever was entertained as to the correctness of the transaction. Subsequently, however, in consequence of information received by us, we applied to see the goods mentioned in the warrant, but without effect. Mr Cole himself afterwards positively refused to show me the goods. I told Cole, that Maltby, by his authority, had positively refused to show me the goods. Cole only said in reply, that one of our clerks had seen the goods already, and that he refused to show me them. I afterwards again saw Cole, when I expressed to him my opinion that the warrants were not genuine. He replied, that I need not be alarmed about it; that they were genuine, and that he knew the goods were lying at the wharf.

Cross-examined by Mr E. James, for the defence.—In the course of our transactions with the prisoner, a large amount of warrants were deposited with us, and our transactions in this form amounted to 106,000L.

Mr BODKIN wished to ask the witness how many of the warrants so alluded to had been discovered to be fictitious?

Mr Justice MAULE was of opinion that, unless the warrants themselves were produced, such a question could not be pressed.

Several warrants being produced, witness was allowed to state, with reference to them, that he had been to the wharf at which the goods were declared to be deposited, and the wharfinger had refused to allow him to see them.

Mr SAMUEL GOODBURN, clerk to Laing and Campbell, was then sworn. He said,—In the early part of the present year I made enquiries at Hagen’s Wharf with respect to the goods mentioned in these warrants. For the purpose of seeing whether they were really at the

wharf, we affected to have sold them. Lucy and Son, lightermen, made a sale of 100 tons, and we delivered to them the warrants for Spelter, &c., which were in our possession, but they did not succeed in obtaining possession of the goods. In consequence of this, I went on the 20th of May with the foreman of Lucy and Son to Maltby's Wharf, but without success. On that occasion we demanded to be shown the goods. We were shown goods in a warehouse belonging to Groves and Son, which Maltby said were parcels of tin which had arrived by the Pearl, and by the Diana. At that time I did not know that this warehouse was held by Groves and Son. I made repeated unsuccessful applications for the delivery of these goods.

Cross-examined by Mr Ballantine.—The balance of our transactions with the prisoner Cole is about 11,000*l.*; that is what we have proved for.

Re-examined.—The total amount of the warrants which turned out to be valueless was about 18,000*l.* Altogether our commission would be under 2,000*l.*; the interest may possibly be about 3,000*l.*

Mr EDWIN BREWER, clerk to Messrs Glyn and Co.—The defendant had an account at our banking house in July, 1852, and the checks produced were passed to his credit in our books and paid in due course.

Mr C. HENBREY, lighterman, examined.—I remember lightering about 65 tons of tin from the Diana to the Platform Wharf, which is about a mile from Hagen's Wharf.

Mr T. GROVES.—I am in partnership with my father and brother, as wharfingers at Platform Wharf, and also have warehouses on each side of Hagen's Wharf. On the 19th and 22nd of November, 1852, we received at the Platform Wharf 1,053 slabs of tin, ex Diana, marked A, and 1,038 slabs marked B, lightered by Henbrey. On the receipt of that tin we issued 70 warrants for it and took them to Cole, Brothers' counting-house, one of the clerks there giving me a receipt. 1,053 slabs marked A, and 75 of those marked B, were delivered on the 13th December, 1852, to one Gray upon the warrants, and afterwards the delivery of the 1,038 slabs marked B was exhausted. On the 23rd of July, 1852, we received from Maltby 700 slabs of bonded tin, which was deposited in our warehouse at Hagen's Wharf, and for which upon receipt we granted warrants. Those goods are still on our premises, and have been so since July, 1852, when they were deposited. Maltby had no control to interfere with the lower floor, or with any part of our warehouse.

Mr J. C. PICKERSGILL, sworn, said,—I am of the firm of Pickersgill and Son, merchants, in the City. We were in the habit of making advances occasionally to Cole, Brothers, or rather we granted our acceptances upon the faith of warrants. On the 4th of May in the present year, I received a letter from Cole, Brothers, to this effect:—“Dear Sirs,—We beg to advise our draft at four months' date for 2,000*l.* and request you to deliver to bearer warrants for 40 tons banca tin against our check herewith, for which we will send you our securities this afternoon.” In consequence of that letter I returned some of the warrants in my possession. I received in exchange warrants for 27 tons copper, and a quantity of tin, viz. :—21 tons 15 cwts. 2 qrs. by the Pearl, 700 slabs. (Warrant produced, signed by Groves and

Son, for 700 slabs tin, bearing the endorsement of Cole, Brothers, in the handwriting of the prisoner.)

Cross-examined by Mr Ballantine.—We have had transactions to the extent, I should think, of half a million with the prisoner. There have been some things of which we have had to complain in the course of our transactions, but altogether we have found the conduct of the firm straightforward, and what it should be.

Mr HENRY GRAY, lighterman.—On the 13th December, 1853, I received at the Platform Wharf 1,128 slabs of tin upon warrants.

Mr Wm. CROSFIELD, clerk to Messrs Marten, Thomas, and Holland, solicitors, of Mincing Lane, said,—My employers are solicitors to Mrs Hagen, the owner of that wharf. I produce the counterpart of a lease, to which I am the attesting witness, dated August 30, 1850, between Mary Hagen on the one part and James Edward Cole and George Harris de Russett, of a wharf. Mrs Hagen is the owner of some property in the occupation of Messrs Groves.

Mr GEORGE JOHN GRAHAM, the official assignee of the bankrupt Cole, produced the counterparts of checks, showing the prisoner to have paid the expenses of the lease, and one year's rent.

Mr JOHN BRADY examined.—I had charge of Hagen's Wharf before Maltby came there, which was in 1850. Mr James Cole, brother of the prisoner, put me in charge of the place. I remember Maltby first coming there. Mr James Cole came with him, but I did not see the prisoner. After Maltby had the management, James Cole went away somewhere within a week after. When I had been some time with Maltby we disagreed, and I gave Maltby notice. I used to go to Cole's to get my wages, and when I was going away I went to Messrs Cole. The prisoner expressed his regret that I was leaving, but said that they were not the parties individually concerned in the wharf.

CHARLES DANIEL, clerk to Mr Hammill, Solicitor to the Customs, produced a bond from the offices given by Mr Maltby, dated December, 1853. Without a bond of that description, persons could not land at a wharf goods liable to duty. Up to the date I have mentioned there was no bond in existence referring to Hagen's Sufferance Wharf.

Cross-examined by Mr Clarkson.—There had been a bond given by Groves, but at the time he gave the bond the premises were in his occupation.

Mr GROVES was directed to stand up, and stated that he had given a bond, but this only applied to the warehouses on each side of the wharf, and not to the wharf itself, which was never in his possession.

This was the case for the prosecution.

The LORD CHIEF BARON said he hardly thought the Court had been fairly dealt with by the gentlemen who instructed the learned counsel for the prosecution.

Mr BODKIN.—In what way, my lord?

The LORD CHIEF BARON.—Why, in postponing the case, owing to the alleged absence of important witnesses, whereas Mr Henbrey appears to have been the only witness not present. He seems to have been only absent in the New Court.

The Court was here adjourned for a quarter of an hour. On the return of the learned Judge,

Mr JAMES proceeded to address the jury on behalf of the prisoner. In a case of this kind, he said, arising out of transactions of very considerable magnitude, it was necessary that they should distinctly understand, in order that they might arrive at a just perception of the facts, the peculiar position in which Cole was placed in reference to the transactions in which he was engaged in 1853. They must remember that it was not for any irregularity in the conduct of his business, and it was not for anything which stopped short of a criminal character, upon which he could be convicted; but the prosecutors must show beyond all reasonable doubt that on the 29th of July, 1853—which was the important date to be kept in view in these transactions—when these two warrants were deposited with Messrs Laing and Campbell, the prisoner at the bar had a guilty knowledge that these were fictitious warrants, and did not represent goods as they purported to do. The transactions in which the prisoner had been engaged were of very great magnitude. They had ended disastrously to him. Mr Cole had embarked in large speculations—in transactions which with the prosecutors alone amounted to upwards of 100,000*l.* a-year, and with another firm (Pickersgill) to half a million of money, Mr Pickersgill stating that throughout those transactions there certainly were irregularities, of which he did not approve, but that to his knowledge there was nothing dishonest or dis honourable on the part of the prisoner at the bar. There was no doubt that in the course of the vast transactions which occurred in this line of commerce, in which enterprise and speculation were rife to an extent wholly without a parallel in any other part of the world—in a capital like this where so many different kind of securities existed—persons were dependent, to a great degree, upon their clerks, and to others to whom they must confide. Now he hoped to show that, upon the evidence as it stood, nothing had been brought home to the prisoner at the bar—that there was no evidence to show that the prisoner, at the time he deposited these warrants with Messrs Laing and Campbell upon the 29th of July, 1853, knew that there were not at Hagen's Sufferance Wharf goods which properly represented those warrants. How did the prosecutors seek to bring home the charge of a guilty knowledge? They began by endeavouring to establish an intimate connection between Maltby and the prisoner at the bar. Maltby was a wharfinger, and the lessee of Hagen's Sufferance Wharf; and the prosecutors endeavoured to show that Cole was the real owner and lessee of that property. Yet they had upon record the fact that the prisoner, when spoken to on the subject of Brady leaving the wharf, had replied that he was not individually connected with it. The brother of the prisoner, and Mr de Russett, were the lessees, while Maltby appeared the person ostensibly carrying on business there, and was treated by Mr Groves as the real proprietor. Now the subject of the present indictment was two warrants—one dated August 30, 1852, and another dated November 23, 1852, issued by Maltby and Co.—upon goods landed from the ships Diana and Pearl. These warrants were deposited with Messrs Laing and Campbell on the 29th of July, 1853, and formed a portion of the security for their advance. Mr Groves declared that he had these goods brought to his wharf, Maltby coming down, and apprising him

that the goods would come, and would be placed upon his wharf. Now there was no evidence to show that Cole had made use of one of the seventy warrants issued by Mr Groves, or had made use of one of them at the time he lodged Maltby's warrants in the hands of Messrs Laing and Campbell.

[This statement was, subsequently, in the course of the learned Chief Baron's charge, contradicted by Mr Pickersgill, who stated that at all events he had had a portion of the seventy warrants alluded to in his possession in the course of 1852.] Mr James continued, by observing that Maltby was not present, and if he had been, neither he nor Cole could have explained the course of business. He submitted, however, that the facts as they had been stated in the course of the evidence were susceptible of a satisfactory explanation as regarded Cole. What reason had Cole to doubt the genuineness of Maltby's warrants? Cole had bought and paid for the goods; he knew they were at some wharf or other, and that the goods represented by the warrants issued by Maltby and Company were in their possession somewhere; and where was there a tittle of evidence to prove that, in the course of such enormous transactions, he knew the particular goods represented by these warrants were not where they were declared to be, at the Sufferance Wharf, but had been taken down to the Platform Wharf? What was more natural than that the prisoner should believe Maltby had the goods in his possession at the time the warrants were issued? The evidence offered with respect to the search at the wharf in May, 1854, when Maltby had absconded, and had in all probability been dealing fraudulently with these goods, had nothing whatever to do with the charge now preferred. The prosecutors must prove that in July, 1853, the prisoner had guiltily placed these warrants in the hands of the persons making the advances, he knowing, at the time of doing so, that the said warrants were not represented by goods. The learned counsel for the prosecution had sought to supply the defect in their chain of evidence, by an assumption of complicity between Maltby and Cole. But how was this evidence supplied? He ventured to submit that there was no evidence of the sort forthcoming. The goods alluded to in the warrants had duly arrived: they were actually in existence; and it was immaterial to Cole whether or not they were at Hagen's Sufferance Wharf, or at the Platform Wharf. Maltby represented them as being at Hagen's Wharf, and where was the proof that Cole knew the contrary to be the fact? It was perfectly true that, in commercial transactions of this kind, perfect good faith was requisite; but it was also to be remembered that, in criminal cases, there must be conclusive evidence to show that the crime alleged did not arise merely out of business irregularities, but that there was actually a criminal knowledge at the time of these transactions. Upon all these grounds he submitted that their verdict ought to be for the prisoner, and he confidently appealed to them, in the expectation that this would be the verdict at which they would arrive.

No witnesses were called upon the part of the prisoner, and the counsel for the prosecution were, therefore, not entitled to reply.

The LORD CHIEF BARON then proceeded to sum up the case. The prisoner at the bar, he said, had been indicted for obtaining money on

false pretences, and for procuring the advance of 10,000*l.* upon the security of goods supposed to be at a certain wharf, there being at that time no such goods at all at that wharf. That was the charge. On the part of the prosecution, they had endeavoured to make out that the prisoner was connected with Maltby in some fraudulent plan of taking premises for the purpose of entering into fraudulent transactions of the nature which, it was alleged, those now in question had been. The prosecution might have failed in that part of the case, but there still would be very much which deserved the serious consideration of the jury. There was no doubt, as had been observed by the learned counsel for the prisoner, that part of the case for the prosecution was the charge of a sort of conspiracy between the prisoner and Maltby—who apparently was to have been tried with the prisoner, but who had got away—to take premises for the express purpose of committing fraud. The jury would have to consider whether this had really been established, but though they might be of opinion that this was not made out, they would still have to consider whether the prisoner at the bar had obtained money under pretences which, if he did not absolutely know them to be false, he had no reason to believe were true. The case differed from some with which it might be compared, and certainly differed in a manner which was favourable to the prisoner. If this had been a case of forging a bill, he knew he should have thought it of no sort of importance whether a man had been engaged in transactions to the extent of one, two, or ten thousand pounds. No amount of transactions could justify the putting the name of another person to a bill, and issuing it upon the authority of that person. But the case for the prisoner was, that there might have been large transactions between him and Maltby, and Maltby might have declared to him that goods, which undoubtedly did come, were duly represented by the warrants which were delivered to Messrs Laing and Campbell—these warrants representing them to be in one place, when in point of fact they were in another. The offence charged against the prisoner was one of a very serious description, on account of its bearing upon a branch of commerce, and a portion of commercial dealings, which undoubtedly required extreme good faith, and with regard to which one could not be at all surprised that great anxiety should exist to get at the truth. His lordship then read over the evidence which had been adduced for the prosecution, commenting upon it as he read. It might be taken for granted, in the first place, that not any goods like those named in the warrants were really at Hagen's Wharf, and that the warrants which referred to them in the possession of Laing and Campbell represented that which was not true. 700 slabs of tin were landed from the Pearl, and 1,052 from the Diana, both on behalf of Cole. There did not, however, appear any reason to believe that any such goods were ever landed and received by Maltby on account of Cole, though it did turn out that some goods of a similar kind were received at another wharf; and that at that wharf other warrants were issued for those goods, which other warrants were used by the prisoner at the bar. In answer to this it was urged by Mr James, on behalf of the prisoner, that Maltby might have deceived Cole in regard to these warrants, and that the prisoner might have used them in

ignorance of there being really no such goods at Hagen's Wharf. It was thus sought to show that the prisoner was a person who had been imposed on, whereas it was the duty of the prosecution to prove that Cole was not the person imposed on, but that he was concurring with Maltby in imposing upon others. Now it was true enough that Maltby was not here, and could not explain how the case really stood, but, in considering if it were true that Maltby had imposed upon the prisoner in this matter, the jury ought to remember that commercial transactions of this importance did not generally take place by word of mouth. Almost every transaction of such importance as must have taken place between Maltby and the prisoner, if the view sought to be established was well founded—they would naturally expect to find every such transaction vouched for by documents. Thus, the sending of goods was generally accompanied by an invoice; the payment of money was vouched for by a receipt; and so on, you could generally, by reference to books, by reference to documents, by reference to contemporaneous entries, get the actual history of commercial transactions; and there was certainly, therefore, a difficulty in the explanation afforded by Mr James. That objection seemed to be this:—According to that explanation, there did not appear to be any motive to Maltby to act as he had done. Why should Maltby multiply these goods? Why should he give warrants for them as being in one place, when they were really at another? This was the difficulty in the way of accepting the explanation set up for the defence. If no goods at all existed at Hagen's Wharf, what motive could Maltby have in saying to the prisoner, "I will issue warrants for you to go into the market with?" This was a question which the jury would have to consider. There was no doubt that 10,000*l.* had been advanced by Messrs Laing and Campbell upon the security of these warrants, and that the prisoner had obtained the benefit of them; and the only question therefore was, whether the money had been obtained under the circumstances of fraud mentioned in the indictment. Mr Laing, having become uneasy with respect to the goods, states that he saw Maltby, who refused to show him any goods at all, and afterwards went to Cole, who said that one of the prosecutors' clerks had seen the goods, and who, therefore, refused to give Mr Laing an order to see them again. Now the jury would have to consider what, as men of business, would appear natural conduct on the part of a gentleman in a large way of business, upon receiving an intimation that two warrants on which he had obtained an advance of 10,000*l.* were suspected of being fraudulently issued. They would ask themselves whether, when the person who had made such an advance expressed a desire to see the goods, it was natural on the part of a merchant to refuse an order to see the goods on such a ground as that alleged by the prisoner. *They must consider whether the conduct of an honourable man suffering under such an imputation would be of that kind, or whether he would not rather have said, "Is it possible that you doubt the existence of the goods? I will go with you myself, and see whether they are at the wharf."* Would an honourable man say, "I will not give you an order to see the goods, for your clerk has seen them already?" Now, if the clerk had really not seen the goods, as it was declared he had, but had been shown other

goods substituted for them, then to be sure the jury would have to consider whether the prisoner was imposed upon by Maltby, and whether he really believed them to be the goods or not. They would have to weigh the facts for themselves, and to ask whether the conduct of the prisoner had been that to be expected from a perfectly innocent man free from any suspicion or reproach, and having no part in any fraud, or whether it was not the conduct of a man who saw there was something wrong in the transaction, and was disposed to postpone the matter as long as he could. As he had before observed, the conduct of a man under such circumstances formed a material subject for consideration. What would be the course to be expected from an eminent merchant, on being told that warrants of which he availed himself to obtain advances were not genuine? Would he not have replied, "Don't let us sleep; don't let us rest; don't let us eat or drink before we go to the wharf and see whether the charge is true or not?" Again, he repeated that he did not see what object Maltby could have in doubling the goods merely for the benefit of the prisoner. Maltby himself might indeed well be out of the way, because there could be no doubt as to his conduct, in the issue of the fraudulent warrants; but what motive could he possibly have when the prisoner at the bar appeared clearly enough to have had the benefit of the true and of the false warrants? The jury, however, would have to judge for themselves, as men of business, as well as men of fairness and candour, and see whether there was any foundation for the statement that the prisoner got the benefit of the transaction, pocketing the produce both of the true and the false warrants, but yet knew nothing whatever of the criminal transaction. If the charge of conspiracy were all that had to be considered, he did not think the evidence was sufficient to prove this; but on the other hand, the facts proved did not in the slightest degree advance the case in favour of the prisoner. It might be that the prosecutors had failed to sustain the charge of conspiracy, but still there was left behind the inquiry how it was that Maltby, though not receiving the goods, could yet give warrants for them. It was a serious question for the jury to consider what object Maltby could have had in doing this, and how it was possible that the prisoner could have dealt with cargoes twice over. The question was whether they collected, from all the transactions which had been placed before them, that the prisoner at the bar had a guilty knowledge that these documents were not genuine. If they thought all this was a mere mistake, mere negligence on the part of the prisoner, and that he supposed when handing over these warrants for 10,000*l.* that he was handing over genuine warrants, he was of course entitled to an acquittal. On the other hand, if they thought that he had the means of knowing, that in point of fact he did know, and could scarcely be ignorant that the property which he had imported in the Diana and Pearl was somehow or other doubled upon his hands,—if they believed that at the time of obtaining this sum of 10,000*l.* he knew that the security offered did not exist, then it would be the duty of the jury to convict the prisoner. They must bear this in mind—it was sufficient to justify a conviction if they believed that the prisoner meant to raise money upon a security which had no existence, even though very likely it was his intention to

redeem his position, and that he never intended to run away and go off with the profits of his fraud. It was sufficient if, however honest his ultimate intention might be, the jury believed that the prisoner knew, at the time of obtaining this advance, that these warrants did not represent real goods in the possession of Maltby, and that he intended to establish a sort of fictitious credit for the occasion which, when it answered his purpose to do so, and supposing his speculations were successful, he intended to replace and repay. This was no answer to the present charge. If a man charged with forgery said, "I did not mean to defraud, and meant to take up the bill, or to replace the money fraudulently received," this was no defence; in the eye of the law, such person was as guilty as the man who raised money by a forgery and then ran away. There might, to a moralist, be a difference between the two cases; but, as he had said, in the eye of the law they were the same. It might be urged, that, even supposing the prisoner to have had a guilty knowledge, in all probability it was his intention, if his concerns had gone on prosperously, to substitute other securities for those now in question. His circumstances, however, had become reduced, and now the question was, not whether the prisoner intended ultimately to cheat, but whether he intended to give a security which, at the time of his giving it, he knew was not represented by goods. If that were the opinion of the jury, it would be their duty to return a verdict of Guilty; if they were actuated by a contrary impression, of course the prisoner would have the benefit of it.

The jury, without retiring, deliberated in their box for a few moments only, and then returned a verdict of **Guilty**.

Mr BODKIN said there were several other indictments against the prisoner for similar transactions, but it was considered that the purposes of justice would be sufficiently answered by the present conviction.

Sentence was deferred till the following day, when the prisoner Cole was brought up.

The CHIEF BARON, addressing him, said—Prisoner at the bar, you have been tried and convicted for misdemeanour for obtaining money under false pretences. The false pretence consisted in presenting, as a valid security for goods, warrants signed by a person named Maltby, purporting that goods were in his warehouse, when it turned out that no such goods at any time were there, but goods of that description were in a neighbouring warehouse, which it seems very clearly were pointed out to the clerk of the person who advanced the money. Upon the faith of those securities you obtained the sum of 10,000*l.*, and from the result it appears that by this false pretence you obtained that money, and the jury have found you guilty of using that security with a perfect knowledge that it was altogether worthless. I entirely agree with the verdict of the jury. I think from the facts which came out in evidence it is quite clear that you had a guilty knowledge of the security not being worth anything. I don't think it material to enquire whether this is one of many other instances in which the same sort of conduct may have been adopted, and the same crime committed. There may be some reason for believing that this is not a solitary instance from part of the evidence adduced. This, however, I do not deem it

necessary to enquire into, nor do I think it material to enquire whether you intended ultimately to repay the money, and adopted this fraud merely to get over a present difficulty. The offence is that of obtaining a very large sum of money upon the faith of a security which was substantially a forgery, professing to represent goods which did not exist on the spot, and under the circumstances which the document represented they did exist. I can conceive few offences of a dishonest character more dangerous to the community in which we live than that of which you have been found guilty. Comparing your offence with the dishonest acts of many thousands who have poverty and want, bad education, and worse example, as possibly some extenuation for their offences, it appears to me that the offence of which you have been found guilty is among the worst that can be brought under the notice of a Court, the character of which offence is dishonest as between man and man. You have apparently been involved in transactions to a very large amount; but I can receive that as furnishing no pretence for saying that this by any possibility could have occurred through neglect and carelessness. It may have been either from a love of wealth, or a desire to become rich. You may have adopted this method of raising money when you had no legitimate means upon which to ask for credit, in order to get over a present difficulty; but in whatever way the transaction began, it appears to me that your offence against society is one of the most dangerous, and one of the most criminal, that can be committed under circumstances of this sort. Upon these considerations, passing sentences of severity upon persons who commit crimes, in my opinion, far less dangerous, and far less criminal, it is impossible for me not to proceed to the utmost limit of punishment which I have by the power of the law the means of inflicting upon your offence, so that your example may deter others from committing similar offences, and that it may not be supposed that the magnitude of a man's transactions is to exempt him from a severe punishment, if he is guilty of that sort of disregard of the property of others which would bring persons in different circumstances to condign punishment. The Sentence of the Court is that you be detained in penal servitude for the space of four years.

The prisoner attempted no remarks to the Court, and was then removed from the Dock.

It may not be out of place to add to the above report the editorial remarks of the journal in which it appeared :

" The trial of J. W. Cole for the circulation of fictitious warrants has terminated, and having been found guilty, the Court have ordered a sentence of four years' imprisonment. Justice having been thus vindicated, only a few remarks are necessary on the conclusion of this most important investigation. The facts elicited, which have not in the least degree varied, show that a deep-laid conspiracy, not the organisation of months or weeks, but of years, must have existed between the unhappy individual, now under the judgment of the Court, and his asso-

*ciates—for associates there have been in his frauds—to sustain wild and reckless adventures by the introduction of simulated documents purporting to be valuable securities, at the expense of those into whose confidence he had been enabled to ingratiate himself.* The absence of the wharfinger Maltby, as well as other parties who are stated to have been deeply implicated in these transactions, has prevented for the present the whole of the circumstances attending these malpractices from being unravelled; but sufficient has transpired to prove that, unless the most vigilant precautions are taken by brokers and others who make advances on warrants, they are not free from enormous pecuniary risk. It is to be hoped, for the credit of the commercial community at large, more especially the particular class who are interested in this question, that no parallel instance of delinquency will speedily recur; but if it should, it will behove whoever may be concerned to follow up the necessary proceedings with the same rigid perseverance as has been done on the present occasion, to trace the frauds and their perpetrators to the true source. The sentence pronounced upon Mr Cole meets the general merits of the case, and although to individuals, who are personal sufferers, it may appear somewhat lenient, the consequences which must attach to the culprit in another and more enduring shape will largely increase its responsibility.”—*Daily Commercial Gazette*, October 27, 1854.

Although the delinquencies of Joseph Windle Cole were visited upon him by the sentence just recorded, it must not be supposed that all had been plain-sailing on the part of those who, impelled by a strong sense of public duty, instituted the proceedings against him: on the contrary, they had many difficulties to contend with in their endeavours to bring the culprit to justice. Mention has already been made of the obstacles they encountered in their first attempt to obtain a warrant against Cole, and in the supineness of the officer to whom the warrant for his apprehension was entrusted, after it was finally granted: two very important witnesses\* were kept out of the way at the trial, and an

---

\* These witnesses were Cole's confidential clerks, William Nichol and William Garner, the former being his chief clerk; every attempt to secure the presence of these persons proved wholly unavailing.

additional instance of the truth of the preceding assertion will appear in the following statement.

At the time when Messrs Laing and Campbell were collecting evidence against Cole, they were not aware that Messrs Overend, Gurney, and Co., either held or were cognisant of the existence of any fictitious warrants. Mr Laing, one of the assignees to Cole's estate when he became a bankrupt, in examining the margin of Cole's cheque-book, discovered that he had made payments to Overend and Co. during the months of July and August, upon metals *similar in all respects to those deposited with Laing and Campbell.*\* Mr Laing sent his confidential clerk, Mr Goodburn, to Overend, Gurney, and Co., requesting information to enable him to secure Cole's conviction. Mr Goodburn saw Mr Bois, the head clerk in the Loan department of Overend, Gurney, and Co., showed him one of the false warrants, and asked him for the information required. Mr Bois returned for answer that *his principals never kept any account of goods when once they were taken up* [a most improbable circumstance], and never dropped a syllable to lead Messrs Laing and Campbell to suppose, what was really the case, that Overend, Gurney, and Co. *actually held warrants themselves, at that very time, to the nominal value of 269,000l., similar to those respecting which inquiries were being made of them*; nor was it until Mr Chapman's admission of the fact in the

---

\* See Quilter and Ball's Report. Appendix "B." Credit Accounts of 1853.

Court of Bankruptcy, that their knowledge of the circulation of spurious warrants was positively ascertained!

Conduct like this was certainly not what might have been expected from a house of such high standing as that of Overend, Gurney, and Co., who must have known that the sole object of Messrs Laing and Campbell was to do their duty towards the public, and expose one of the most iniquitous frauds ever perpetrated. So far, indeed, were they from *volunteering* information, —as most houses would have done—that they literally withheld what they knew, though the revelation of the facts of which they were cognisant, would have rendered the case for the prosecution clear at once, and have most materially advanced the cause of justice; but, having compromised the proceedings of Cole in October, 1853,\* Messrs Overend, Gurney, and Co.

---

\* See Mr David Barclay Chapman's evidence, *ante* p. 17, where he states that his "first" suspicions with respect to the genuineness of the warrants purporting to represent goods at Hagen's Wharf, arose "in October, 1853." But there is some reason for doubting the perfect accuracy of this deposition when the following facts are taken into consideration:—In the course of the inquiries which were conducted before Sir Peter Laurie at the Guildhall, preliminary to instituting criminal proceedings against Davidson and Gordon, Mr Pelly, Metal Broker, of Ball Alley, Lombard Street, gave evidence (on the 14th July, 1855) that *as early as the Spring of 1853*, he was asked by Messrs Overend, Gurney, and Co., to make enquiries about some Spelter warrants at Hagen's Wharf, and that Maltby showed him goods corresponding with those named in the warrants held by Overend, Gurney, and Co. What motive could have induced Messrs Overend,

seem to have been determined to stifle everything in the shape of inquiry likely to lead to a discovery of the real nature of the dealings in which Cole had been so long engaged. The motive for this reticence will be a mystery to no one who reads the clear and comprehensive report of Messrs Quilter and Ball.\*

---

Gurney, and Co. to send Mr Pelly to make these inquiries, other than some doubt as to the genuineness of the warrants? Again: By reference to the statement respecting the Loan for 30,000*l.* between Cole and Messrs Laing and Campbell in July, 1853 (*ante* p. 23), it will be seen that Cole stated as his reason for asking for the Loan, that "he had been pressed for money by Mr Chapman, of the house of Overend, Gurney, and Co., who wished to reduce their account." Now it is patent to the commercial world that at the time of this pressure on Cole, there was nothing in the state of the money-market to account for such a proceeding. (The money-market during the month of July, 1853, was very easy, the Bank rate being  $3\frac{1}{2}$  *per cent.*) The cause for it must, naturally, be looked for elsewhere: and, coupling this pressure with Mr Pelly's inquiries, a strong presumption arises that if Mr Chapman did not positively *know* in July, 1853, that the warrants which Cole dealt in were fraudulent, he could even at that time have made *the shrewd guess* at their actual character. At all events he was, by his own admission, aware of the existence of the false warrants for upwards of eight months before Davidson and Gordon absconded, or Cole stopped payment.

\* See Quilter and Ball's Report. Appendix "B."

## CHAPTER V.

---

COLE'S BANKRUPTCY.—CHOICE OF ASSIGNEES.—MESSRS GABAIN, LAING, AND BREBART APPOINTED.—OBSERVATIONS ON THE DUTIES OF ASSIGNEES.—REFERENCE TO THE CASE OF LACKERSTEIN.—FIRST EXAMINATION OF THE BANKRUPT.—SECOND EXAMINATION.—COLE'S STATEMENT.—AMOUNT OF PROPERTY IN HIS POSSESSION WHEN HE FAILED.—ADJOURNED EXAMINATIONS.—THE BANKRUPT'S ACCOUNTS FROM JANUARY TO AUGUST, 1854.—REFERENCE TO MESSRS QUILTER AND BALL'S INVESTIGATION INTO COLE'S ACCOUNTS WITH OVEREND, GURNEY, AND CO.—COLE INCLUDED IN A CRIMINAL INDICTMENT LAID AGAINST DAVIDSON AND GORDON.—COLE'S CASH ACCOUNT FOR TWO YEARS AND A HALF SHOWS TRANSACTIONS TO THE EXTENT OF UPWARDS OF FOUR MILLIONS THREE HUNDRED THOUSAND POUNDS.—MESSRS OVEREND, GURNEY, AND CO.'S CLAIM OF ONE HUNDRED AND TWENTY THOUSAND POUNDS.

ON the 19th August, 1854, the day after Cole was committed to Newgate for trial, he made himself a bankrupt, and the first meeting of the creditors of the estate, for the purpose of choosing the trade-assignees, was announced for the 6th September. On occasions of this description the result is generally unfavourable to the creditors' interests, assignees being chosen who either consent to occupy that position more as a matter

of form than for the purpose of inquiring into the real condition of the bankrupt's affairs, or who are disposed to act partially towards him. In this case of Cole, which involved a question of such public magnitude, Mr Laing, of the firm of Laing and Campbell, at once resolved to be one of the assignees, and accordingly attended the meeting.

For some days previously two well-known attorneys had been actively canvassing to get the estate into their own hands; but whether with a view to benefit the creditors or themselves was not allowed to transpire. There was a severe struggle: so much energy as was displayed is rarely manifested, except at a parochial election; and the coarse and violent language of the attorneys' partisans seemed only the inevitable preliminary to a regular stand-up fight, when an eminent solicitor, Mr James Freshfield, jun., put a stop to the disgraceful proceedings by denouncing them in no measured terms. Finding, then, that his cause was not likely to prosper, one of the afore-mentioned attorneys, Mr Sewell, began to raise numerous objections to the selection of Mr Laing.

In the first instance he appealed to the sitting Commissioner, Mr Fonblanque, and stated that as Mr Laing had instituted criminal proceedings against the bankrupt, he was by that act disqualified from being an assignee, although Mr Sewell forgot to state that Mr Laing had been previously canvassed for his interest on his own behalf. Failing in this endeavour, he instructed a

barrister who frequents the Bankruptcy Court to oppose Messrs Laing and Campbell in proving their claim, which he had himself previously sanctioned; but this effort proved equally abortive with the former one, and the learned Commissioner having fully expressed his opinion on the matter, the opposition fell to the ground, and the assignees were appointed. They were three in number—Mr G. Gabain, of St Michael's alley, merchant ; Mr Seton Laing, of Mincing lane, colonial broker ; and Mr Nicholas Brebart. The official assignee was Mr Graham, and the solicitor to the trade-assignees Mr Murray, of London street.

Aware of the great responsibility of their office, and feeling certain that the commercial world would watch with a jealous eye the investigation of so important an estate as that of Cole, Brothers, who at that early period enjoyed the credit of having swindled the public out of about 400,000*l.*, the trade assignees determined to have a solicitor of their own choosing—one who was independent, and beyond the reach of personal influence, however great. Mr Murray was accordingly *requested* to undertake the task, his great ability in bankruptcy matters—so strikingly displayed in the evidence which he gave before the Bankruptcy Commissioners in 1854—making it evident that he was the best man to be employed on the occasion. Mr Murray acceded to the request thus made to him, and the energy, the skill, and the honest zeal with which he performed his duties have left nothing to be desired.

An acute and independent attorney can do wonders in bankruptcy cases, particularly when fraud has been practised; but at the same time it must be allowed that an assignee properly elected, and who also does his duty, and is well versed in the bankrupt's transactions, can render the creditors most valuable service.

It is much to be regretted that creditors generally should take so little interest in winding up insolvent or bankrupt estates, particularly when a large amount of property is involved; still more so when firms such as Cole, Brothers, come before the public. The system generally practised by men of that kind is, to appoint their own attorney and their own assignees, the latter, as has already been remarked, being seldom creditors, and taking no interest in the case beyond that of sheltering the bankrupt to the prejudice of the unfortunate creditors. In illustration of this fact, the case of Lackerstein, who failed in 1847, and again in 1852, may be cited. The learned Commissioner's observations appear most instructive.\* It is a deplorable fact,

---

\* "Court of Bankruptcy, Basinghall street, January 13th, 1853.

" (Before Mr Commissioner FANE.)

" The official assignee, Mr Cannan, stated to the Court there could be no doubt that the bankrupt had committed a fraud, inasmuch as he had, in order to obtain the advance from the Oriental Bank, falsified the invoice. The entries in his books and in the balance-sheet were correct, but information, recently received from the consignee, showed that the bankrupt had very much exaggerated the quantity of the goods sent out.—His Honour said, that under these circumstances

that had the assignees in this case properly done their duty, Lackerstein, who absconded, would have been captured, and THE GREAT CITY FRAUDS, of

he was of opinion that it was clearly the duty of the Oriental Bank to institute a prosecution against the bankrupt—it was a duty which they owed to the public, in order that this great and monstrous fraud might be punished. He wished to know whether it was the intention of the Oriental Bank to institute any proceedings.—Mr Lowe said he had no specific instructions on the subject.—His Honour observed, he would not now wish to be understood as speaking judicially, but he hoped the Oriental Bank, if they did not prosecute in this case, would be cheated again and again.—Mr Lawrance said, it unfortunately happened that public bodies were very reluctant to institute proceedings of any kind.—His Honour said, that public bodies were especially bound to consult, not only their own interest, but those of the mercantile public. If it was true that the bankrupt had absconded to the colonies, he could not for one moment suppose but that the colonial authorities would give all the assistance in their power towards the capture and punishment of the bankrupt. His Honour asked, what had been received?—Mr Cannan—1,300*l.* upon which a dividend of one shilling in the pound had been paid.—His Honour—How much of the debts?—Mr Cannan—The debts and liabilities were about 120,000*l.* Some further assets are expected, the produce of consignments to Bombay and China, and from other sources, about 1,200*l.* probably.—His Honour ultimately observed, that the assignees and the Oriental Bank ought well to consider what course they would take; for his own part, though he might not be empowered to order prosecution, he would say thus much, that if the assignees considered it to be their duty to institute any proceedings against the bankrupt, he would sanction all the expenses necessary for that purpose. Surely the man who behaved so fraudulently to his creditors should not be allowed to go unpunished—a man whose conduct really deserved the treadmill. His Honour concluded by adjourning the meeting till 1st July next, refusing protection; at all events, let the bankrupt be got at either by civil or criminal process.”—*Times*, 14th January, 1853.

which he was one of the originators, crushed in the bud.\*

To return to Cole's bankruptcy:— the next proceeding was the examination of the bankrupt on the 7th of October, while his trial was pending, and he was brought up from Newgate for that purpose. Mr Murray, for the assignees, said that Mr Hulson, the bankrupt's accountant, had gone into his accounts, and was of opinion that an adjournment for two months was necessary. This was agreed to, and at the expiration of that period Cole, whose conviction had taken place in the interim, was again brought up to be examined. No balance-sheet had, however, been filed, owing to the want of papers and books of account, and the facts elicited resulted from the *viva voce* statements of Cole, under the searching examination of Mr Murray. They were sufficiently startling.

Here are the *ipsissima verba* of the bankrupt, in so far as they relate to the general character of his dealings:

“I commenced business, under the firm of Cole, Brothers, early in 1848. I had no partner. I had been a bankrupt in the year 1847. *I had no capital when I commenced business*, except loans from friends. I cannot state the amount of those loans without reference to my papers. I began

---

\* Mr Laing (of the firm of Laing and Campbell) himself offered 50*l.* at that time to Mr Lawrence, towards procuring the apprehension of Lackerstein, but the offer was not responded to.

without any capital, as I have stated. I carried on business under the name or style of Cole, Brothers. I never took stock. I did no business that required my taking it. *I never exactly ascertained the state of my affairs, but I had an estimate in my own mind.* At the end of 1848, or the beginning of 1849, I was rather prosperous. I knew continually the general result of my affairs, though I never exactly ascertained it. *In 1853 my affairs were in the most prosperous state of any time during the time I have mentioned.* *I was in a state of prosperity up to the summer of 1853.\** I cannot tell what I owed at the period mentioned. I could ascertain from my papers what I owed in 1853, but there is no one book in which it is to be found. My business was extensive. Its original nature was business to the East Indies—consignments for orders and shipments on my own account. It was very extensive in 1853. The amount of my transactions in 1853 was about 2,000,000*l.* I mean that I was concerned in buying, or selling, or consigning goods to that extent, or very nearly. The principal goods I bought or consigned were tin, copper, spelter, and iron. The books of account kept by me in 1853 were an invoice-book, bankers' books ; no cash-book ; a banker's cheque-book. There were no other books to register my transactions, except a letter-book ; but

---

\* Prosperous enough, no doubt, for he was then busily engaged in passing his false warrants !

there were various papers, containing statements of my affairs. There were assurance-books, but no other books that I remember. I had no ledger—no journal. The banker's cheque-book was made as a rough cash-book. I should have spoiled my operations if I had allowed my clerks to write a journal. My cheque-books will enable me to make out a cash account. All moneys received in the course of my business, from the time I opened my banking account in 1848, went through my bankers to the credit of my account. All the payments I made in the course of my business came from my bankers. When I stopped payment I had no property very material in my possession nor under my control.\* There were consignments. I

---

\* Cole might very well say that he had "no property very material" in his possession, as the following letter will show :

"Meriton's Wharf, London, 28th December, 1855.

"We, the undersigned, do hereby certify that at the request of the official assignees of Messrs Cole, Brothers, and Messrs Davidson and Gordon, we received, on the 30th Sept., 1854, from Timothy Toomy, acting as foreman to Messrs Maltby and Co., late of Hagen's Wharf, Mill Street, Dockhead, Bermondsey, the several goods as per list annexed, and which were subsequently delivered to Messrs James and Shakespeare at sundry times by an order dated 1st January, 1855, duly signed by the official assignees to the aforesaid estates.

"We further certify that the said list of goods comprises all merchandise stored upon the aforesaid premises, occupied by Messrs Maltby and Co., at the date of our taking delivery of the same.

"BARRY, BROTHERS.

"Meriton's Wharf, London."

List of Sundry Goods removed from Hagen's Wharf, 30th Sept., 1854, and referred to in the foregoing certificate : Say, 50 kegs zinc nails, 13 boxes tin, 2 cases zinc, 340 bundles flat and hoop iron, 190

think I had then two bills. I must add that there were surpluses of consignments or loans under my control at the time I stopped payment. In Christmas, 1853, I believe I was solvent. I do not consider that I was insolvent when I stopped payment. Upon reflection I entertain no doubt of my solvency in Christmas, 1853. I think I was perfectly solvent on the 5th of June, 1854, in the present year. I took out 1,200*l.* from Glyn's on the 24th of June. I received it myself by cheque. A large portion of it has been applied to the defrayment of legal expenses. I am not prepared to state how much, but nearly all for legal expenses. I appropriated about 1,000*l.* for legal expenses, paying accounts that were owing to solicitors. I paid Kersey and Co., solicitors, 300*l.*; to Mr Digby, solicitor, a larger amount—altogether, I think, about 600*l.* to Digby. The rest was disbursed in various expenses within a day or two after the 24th, with the exception of the money found on me by Forrester, the officer. Gave securities to creditors in June, between the 13th and 20th. Sent the creditors in question a cheque for 10,400*l.* The security consisted of four assignments. At that time those creditors made me advances. I sent them down to Liverpool a cheque on Glyn's for 10,400*l.* That cheque is not in the pass-book, nor on the margin of the cheque-book. The

---

bundles iron rods, 7 bars iron loose, quantity of pieces broken steel and spelter weighing 5 cwt. 1 qr. 16 lbs., 290 empty boxes, and 132 lids. The whole of these goods were sold, and realised 106*l.* 0*s.* 2*d.*

cheque was not paid, but I received it back again as cash advanced to myself. The payment of 320*l.* to Mr Digby, the solicitor, was not until it was got from Forrester. The securities given up to me by the Liverpool creditors, to whom I sent the cheque for 10,400*l.*, were railway iron, bar iron, steel, and spelter. The goods were pledged to them for 10,400*l.*,\* but they were of greater value. I had transactions in May with Sill and Mugins, of Liverpool. I obtained in advance for their bills about 25,000*l.*,† upon warrants for metals. They drew upon Cole, Brothers. I got the 25,000*l.* It was all paid through Glyn's. I received no account from these parties, and I can't tell whether they sold the securities or not. I do not know precisely how we stand, not having received any account. They gave me up securities as against other securities, I think, early in July, after I stopped payment.'

Cole added to the above that he believed he had told the real state of the case, and said, in reply to a question from his own solicitor, that he had "reasonable hopes of being able to go on again in July." Had Mr Digby's negotiations with Messrs Laing and Campbell not been thwarted by their firmness and sense of justice, Cole's hope was "reasonable" enough, as in all human probability he would, by that time, have been carrying on the same wide system of fraud by which he had already so greatly prospered. At the close of this examination, the case was adjourned till the 29th Dec.

---

\* † These warrants were nearly all fictitious.

On that day Mr Bagley, on the part of the bankrupt, urged an adjournment of two months. This was opposed by Mr Murray, who said that much of the property had been made away with already, and, unless the bankrupt were put under some terms, the whole of it would be frittered away. The proposed adjournment was, therefore, limited to four weeks, and, on the 26th January, 1855, Cole was examined at some length with reference to his transactions with Davidson and Gordon. He stated, amongst other things not relevant to their affairs, that "a month before they absconded, he had received some of their acceptances for about 30,000*l.*, and had endeavoured to negotiate the paper for them. The bills were afterwards given to his clerk to give to Mr De Russett, and handed to Mr Digby a security for De Russett's account." Mr Murray asked: "What! bills for 30,000*l.*?" Cole replied: "Oh, they were not worth 300*l.*!"

At the examination which took place on the 23rd of March, it was stated that the Bankrupt's accounts, which extended from January 2nd, 1854, to August 14th, of the same year, had been at length filed, and showed the following results:

	Dr.	£
Unsecured Creditors -	- - -	40,190
Creditors holding Security	- - -	46,505
Profits - - - -	- - -	10,137
Liabilities - - - -	- - -	293,253

---

\* See *Times* Report of Court of Bankruptcy, March 24.

	Cr.	£
Good Debtors	- - - -	55,668
Doubtful Debtors	- - - -	36,996
Property	- - - -	47,608
Office Expenses	- - - -	1,819
Personal ditto	- - - -	1,069
Law ditto	- - - -	1,271
Charges on Merchandise	- - - -	3,795
Interest and Discounts	- - - -	9,483
Losses	- - - -	136,909
Losses by Bad Debts	- - - -	22,954
<hr/>		
Alleged Capital at commencement	- -	£220,692
<hr/>		

Mr Murray said, with respect to the "property," he believed he might write off not less than 40,000*l.* Mr Graham, the Official Assignee, stated that the whole sum realized up to that time was only 6,100*l.*

At the next meeting when business was transacted,—July 14th,—it was announced that an investigation into the accounts filed by the bankrupt, so far as it applied to the dealings and transactions between him and Messrs Overend, Gurney, and Co., which had been undertaken by Messrs Quilter and Ball, the accountants,\* was not yet completed, and an adjournment took place for three months. It was also stated at this meeting, that the amount of fictitious warrants in which Cole had dealt was close upon 346,000*l.*

---

\* See Quilter and Ball's Report. Appendix B.

While these frequent examinations were going on, active steps had been taken to procure the arrest of the absconding bankrupts Davidson and Gordon, who had fled to the Continent in June, 1854, and returned to this country in April, 1855, and subsequently to their return had been examined as well in the Court of Bankruptcy, with reference to their affairs, as at Guildhall on a criminal charge. In the latter proceedings an indictment had been laid against them for conspiracy, in which Cole was included; and on this account when, pursuant to previous adjournment, another meeting of Cole's creditors took place on the 31st of October, Mr Murray said, that as in all probability the case would be tried at the next Sessions of the Central Criminal Court, it might perhaps create some prejudice against the bankrupt if any investigation took place at that time, in that Court, and the Commissioner therefore adjourned the meeting, *sine die*. On this occasion, however, Cole's cash account was furnished, which showed transactions to an enormous extent. In 1852, the payments amounted to 1,531,708*l.* 11*s.* 6*d.* In 1853, they were 2,000,744*l.* 0*s.* 4*d.*, and in 1854, 770,750*l.* 18*s.* 6*d.*; making a total, in two years and a half, of upwards of **FOUR MILLIONS, THREE HUNDRED THOUSAND POUNDS!** As a set-off to this enormous sum, Mr Graham stated, in answer to the inquiries of several creditors, that he had about 7,000*l.* in hand; but that the Assignees

were precluded from making a dividend owing to a large claim which had been made against the Estate by Messrs Overend, Gurney, and Co., to the amount of 120,000*l.*, and which was disputed by the Assignees.\*

---

\* This claim was subsequently relinquished: under what circumstances appears elsewhere.

## CHAPTER VI.

---

DAVIDSON AND GORDON'S DISTILLERY AT WEST HAM.—THEIR EMBARRASSMENTS.—DEBT TO THE EXCISE.—CHEQUE GIVEN FOR THE AMOUNT, WHICH WAS DISHONOURED.—LARGE DELIVERIES OF SPIRITS, AND UPWARDS OF THREE THOUSAND POUNDS RAISED ON THE DAY THEY ABSCONDED.—THEIR FLIGHT TO BELGIUM.—THEY REACH SWITZERLAND.—A LONDON POLICEMAN SENT TO NEUFCHATEL.—FALSE PASSPORTS.—MR JAMES R. BEARD, OF MANCHESTER, RESOLVES TO PURSUE DAVIDSON AND GORDON.—ASSISTANCE RENDERED BY LORD CLARENDON.—MR BEARD REACHES NEUFCHATEL.—RENEWED FLIGHT OF DAVIDSON AND GORDON.—VENALITY OF THE SWISS POLICE.—SEARCH AT MADAME FORNACHON'S.—SUBSEQUENT INTELLIGENCE OF THE FUGITIVES.—PURSUIT OF THEM BY MR BEARD THROUGH SWITZERLAND AND PIEDMONT.—THEY ESCAPE FROM GENOA, UNDER ASSUMED NAMES, WITH A DIFFERENT PASSPORT.—MR BEARD'S DIARY.—HE COMES UP WITH THEM AT NAPLES.—GREAT DIFFICULTIES IN THE WAY OF ARRESTING THEM.—APPLICATIONS TO SIR W. TEMPLE.—LETTER TO THE FOREIGN OFFICE.—MR BEARD RETURNS TO LONDON.—INTERVIEW WITH LORD WODEHOUSE.—FURTHER ASSISTANCE RENDERED BY LORD CLARENDON.—ARREST OF DAVIDSON AND GORDON AT NAPLES.—THEY ARE SENT ON TO MALTA.—DISCHARGED FROM CUSTODY AT VALETTA.—THEY EMBARK FOR SOUTHAMPTON.—ARRESTED THERE.—CONVEYED TO LONDON.

THE close connexion subsisting between Cole, Davidson, and Gordon, the mutual transactions in which they were involved, and the natural sequence of events, make it desirable to proceed now with the narrative

of the fortunes of the two last-named persons, after their flight from England.

Independently of their pursuits as general merchants—importing colonial goods and exporting merchandise of all kinds—Davidson and Gordon carried on the especial business of distillers, being the proprietors of a large distillery at West Ham Lane, in the county of Essex, about four miles from their counting-house in Mincing Lane. This distillery had originally been the property of Mr Thomas Webb, but in the year 1851 he executed mortgages on it to Davidson and Gordon, who then carried on the business, which was, no doubt, a very lucrative one. Had they limited themselves to this pursuit, matters might have continued to go on well with them; but intimately connected as they were with the fraudulent operations of Cole, and others whose delinquencies still remain unpunished, it was impossible for them to trade with success on the simple basis of honesty, and, as a matter of course, they fell into embarrassments.

In what way the condition of their affairs led them to the transactions with the house of Overend, Gurney, and Co., which have become so notorious, it is not necessary at this moment to speak, as that question will be considered hereafter; neither need the details be entered into here which refer to the assignment which Davidson and Gordon made of their interest in the West Ham distillery. It is enough for the present purpose to state that, in addition to the involvements which caused their

failure, and which amounted, in the gross, to the enormous sum of nearly 500,000*l.*, they owed the Excise a large amount for duty.

This being their position in the month of June, 1854, they resolved to extricate themselves from it by absconding with what money they could raise upon the spirits in their possession. There was, however, a difficulty to be got over here, for the officer of Excise whose duty it was to superintend the premises would not suffer the removal of any spirits until the duty owing had been paid. But the crisis in their affairs being imminent, and their resolve taken, Davidson and Gordon removed this obstacle by giving the Excise officer a cheque for the amount due, which he accepted in payment, and then gave them permission to deliver goods. There was only one defect in this arrangement, as far as the Excise was concerned, viz.: that when the cheque was presented it was dishonoured. On the other hand, it perfectly answered the purpose of Davidson and Gordon, who, as early as half-past six in the morning of the 17th of June, made large deliveries of spirits to Messrs Nicholson and Co., of St John Street, Clerkenwell; to Messrs Howell and Hale, Water Lane; and to Messrs Grimble and Co., of Albany Street, Regent's Park. The delivery to Messrs Nicholson and Co. was not paid for (Davidson and Gordon being nearly 20,000*l.* in their debt), but they gave Mr Eves, the manager of the distillery, a cheque on Messrs Glyn for 500*l.*, for a future delivery, for which cheque Mr

Eves obtained a Bank of England note, which he handed over to Gordon, about four o'clock in the afternoon of the 17th. From Howell and Co. Mr Eves obtained an acceptance for 497*l.* 18*s.* 11*d.*, and from Grimble and Co. an acceptance for 2,150*l.*, both of which he gave to Gordon, who took them to Mr Leonard, of Old Broad Street, to be discounted, and received from him an "open cheque"—by Gordon's desire—for 2,600*l.* This cheque was also cashed the same afternoon in five bank notes for 500*l.* each, and the remainder in smaller notes! Between four and five o'clock Davidson and Gordon called on Mr John Foster Elmslie, their solicitor, and handed him 1,700*l.*, of which sum 1,200*l.* was subsequently paid over to the assignee of their estate in bankruptcy; but with this deduction made, the amount secured in cash by Davidson and Gordon previous to their flight was 1,400*l.*, irrespective of any other money they might have had. The last time they were seen in business was by a clerk of theirs, named Walker, about five o'clock. They mentioned nothing to him of any intention to leave London, and he fully expected to have seen them again on Monday: it need scarcely be said that they left no money with him. On the same evening Mr Prehn, a merchant carrying on business in London, saw Davidson and Gordon on board the Ostend boat at eleven o'clock. Arrived on the Continent, they proceeded to the Rhine by way of Brussels and Aix-la-

Chapelle, at which places they changed two of the 500*l.* notes which they had obtained on the 17th of June, these notes being received from abroad, in the regular course of business, by parties in London. The fugitives were next heard of in Switzerland, being seen on the lake of Lucerne, in the month of August, by Mr Imthurn, a merchant resident in London, who knew Davidson and Gordon by sight.

A clue to their "whereabout" being thus discovered, an officer attached to the London police, named John Mark Bull, was instructed to follow them, and he went in consequence to Neufchâtel, where he arrived on the 4th September. He did not, however, succeed in seeing either Davidson or Gordon until November, at which time they were comfortably domiciled in the neighbourhood of Neufchâtel, at a place called "Chaux de Fonds," where they had made the acquaintance of one Madame Fornachon, with whom and with whose family, as it subsequently appears, they contracted a very strict alliance.\* But a sight of the fugitives was all that the

---

\* Davidson and Gordon had dropped their real names, and assumed those of Sedgwick and Gray. Under the latter designations they had managed to procure a passport from the Consul-General for France in London, which was delivered to "George Sedgwick, Rentier, aged 31, travelling with his servant, Charles Gray." The address indicated was No. 47 Moorgate Street, and the bearer was described as "going to Paris." It was dated October 3rd, 1854, and bore the Calais *visa* of October 5th. This passport was deposited at the British Embassy in Paris, and in lieu of it one of Lord Cowley's passports, dated Oc-

London police officer took by his journey to Neufchâtel, for there being no mutual law of extradition between Switzerland and England, the persons of Davidson and Gordon were safe. The task of disturbing them in their quiet Swiss abode, of routing them out of Switzerland, of tracking them through Piedmont, and finally of hunting them down in Naples, was reserved for one of their creditors, Mr James Rait Beard, of the firm of Beard, Brothers, of Mosley Street, Manchester, whom they had swindled to the extent of 5,000*l.*, for which sum Messrs Beard held bills of various amounts.

This gentleman, who had kept himself informed of the movements of Davidson and Gordon in Switzerland, through the medium of commercial friends in that country, received a telegraphic despatch from Berne, on the 17th December, 1854, acquainting him with the fact that the fugitives were then at Neufchâtel. On the receipt of this intelligence Mr Beard resolved to start at once for that place, in the hope of being personally able to accomplish what could not otherwise be effected. He accordingly went to London, where, at the request of Mr Brotherton, M.P., he was furnished by the Earl of Clarendon with the following letter to the British Minister at Berne :

tober 6th, was granted to the persons calling themselves Sedgwick and Gray. It was subsequently discovered that this passport had been originally obtained by the clerk of a London solicitor who was interested in the safety of Davidson and Gordon.

" Foreign Office, 19th December, 1854.

" Sir.—This despatch will be delivered to you by Mr Beard, who, as you will perceive by the enclosed copy of a letter from Mr Brotherton, is proceeding to Switzerland to attempt to recover a sum of Five thousand pounds, of which he has been cheated by Davidson and Gordon. I am aware, that under the circumstances stated in Mr Christie's despatches, Nos. 58 and 59, of the 30th ult., to which my despatch of the 13th is a reply, it will not be possible for you to give any official assistance to Mr Beard, and this has been explained to him. But as Mr Beard seems to suppose that he has peculiar facilities for effecting his object, I do not hesitate to recommend him to your notice for such unofficial assistance as you can properly give him.

" I am, with great truth and regard, Sir,

" Your most obedient humble servant,

" CLARENDON."

Provided with this letter, and having made a legal transfer of the bills of exchange which he held of Davidson and Gordon, to parties at Herisau, in the Canton of Appenzell, Mr Beard left London on the evening of the 19th December, and proceeded by way of Paris, Basle, and the lake of Zurich to Herisau, where he arrived on the night of the 25th. On the following day he set out from Herisau for Neufchâtel, and, accompanied by a friend, reached that place on the 28th. During the first day of his stay at Neufchâtel, Mr Beard remained quiet in his hotel, while his friend went out to gather intelligence of the persons he was in search of. Late in the afternoon the latter returned with the news that the fugitives had left Neufchâtel, in consequence of a telegraphic despatch from Berne, but were supposed to be at Chaux de Fonds. Mr Beard

went, therefore, that night to consult M. Philippe, an advocate of the place, from whom he learnt that he had been employed by Davidson and Gordon to procure permission from the Neufchâtel Government for them to purchase land and domicile there, a request which had been refused. M. Philippe stated that his clients were very poor, and had left the country ! Mr Beard greatly doubted the accuracy of this piece of information, and with reason, for he afterwards found out that on the 14th December they sold to a banker in Neufchâtel notes of the Bank of Belgium and railway coupons to the extent of 5,500 francs (220*l.*), and that on leaving the town they took with them a sack of gold, which they had with them afterwards at Naples.

Disappointed of securing the professional assistance of M. Philippe, Mr Beard then addressed himself to Dr C. Lardy, whom he retained to conduct the proceedings which he instituted for the recovery of his money. His next step was to apply to the Chief of the Police, whom he saw on the 29th December. That functionary informed him that Davidson and Gordon had really left Neufchâtel, but were not, he believed, far off ; he promised to telegraph to different parts of Switzerland, but went away to visit his friends, and Mr Beard never obtained any further information from him. "Point d'argent, point de Suisse," is a proverb which seems to be equally applicable to the civil authorities, as well as to the military in Switzerland, and Mr Beard soon learnt from various quarters that Davidson and Gordon

had been on very intimate terms with the police, whom they used constantly to treat at a small *cabaret* outside the town. He tried the Inspector of the Force, but did not succeed in getting any information out of him, and when he reported to him what he had heard concerning the body under his charge, the philosophical Inspector coolly observed, that “ the greatest men had their price ! ”

On the 30th December, Mr Beard ascertained, but not through the police, that Davidson and Gordon had lodged with Madame Fornachon, whose abode was on the mountain side about a mile from Neufchâtel, and he then obtained permission from the civil tribunal to search the house. Accompanied by a *huissier*, and two assistants, he proceeded thither. Madame Fornachon was at home, but not her lodgers, though there were plenty of traces of them in the shape of *blouses* for disguise, French dictionaries and grammars marked with their initials, clean linen from the washerwoman, dirty boots, two portmanteaus, and the *Gordon arms painted and framed!* Madame Fornachon shammed illness at first, but recovering herself, when she found the *ruse* was useless, became very voluble, and declared that none of the property, which she admitted to be that of the fugitives, should be touched, because they had not paid their board and lodging : the gentlemen, she said, had wished to do so, but she had refused to receive it, because in travelling they would have occasion for all the money they possessed. While the

*huissier* and his assistants were engaged in making a list of the property found, Mr Beard tried to visit some rooms on the upper story, but was desired by Madame Fornachon's daughter, Ida—a tall, good-looking young lady, of about seventeen—to come down, as it was her chamber, and his going there contrary to law. The attempt to discover the fugitives was therefore a vain one; indeed, it turned out that they were actually gone, as Mr Beard discovered two days afterwards through a *valet de place* whom he employed to gain information concerning them. This person brought word that, on the 23rd of December, Davidson and Gordon had hired a cabriolet in company with M. Junod (a teacher of languages at Neufchâtel) and had taken the road to Berne; that after proceeding as far as St Blaise, about eight miles distant, they dismissed the cabriolet, hired another, returned at night through Neufchâtel, *with the knowledge of the police*, and then pursued the road to Yverdun, in the direction of the Lake of Geneva.

The year 1855 opened for Mr Beard with a festival at the house of his advocate's father-in-law, where he was obliged to dine *en famille*: he commended Dr Lardy's sense of hospitality, but would have much preferred a day of business, which, however, was not to be thought of until the *fête* was over. On the 2nd of January, Dr Lardy was ready to accompany him, and together they started for Yverdun, where they found that Davidson, Gordon, and Junod, having taken their places in the name of the latter, had gone by diligence

to Lausanne. Mr Beard and Dr Lardy followed, and, assisted by a very active and intelligent magistrate, made a search of all the hotels in and around Lausanne, but without success. They then went to Ouchy, the port of Lausanne, on the Lake of Geneva, and called at a school where Junod's son was one of the under-teachers, but nothing was elicited from him. At length they discovered a boatman who had taken Davidson, Gordon, and Junod across the lake in an open boat to Evian, within the frontiers of Savoy. This man spoke of the fugitives as having exhibited dirks and revolvers while in the boat, and that they drank a great deal. Mr Beard was further told that Davidson and Gordon had sent their heavy baggage by the steam-boat to Geneva, and concluding from thence that they would make for that place, proceeded thither on the 4th January alone.

In Geneva Mr Beard had to dance attendance on the police for several days, receiving assurances from them that the fugitives would be discovered, and one of their body was, indeed, sent to Evian, but returning without any tidings, Mr Beard put himself into the diligence for Thonon (the town nearest to Evian) to communicate with the Intendente, who promised great assistance but rendered none. From the *Garçon* of the hotel, "Les Balances," Mr Beard, however, wormed the fact that Davidson and Gordon had arrived there, had drunk a bottle of Beaujolais, and then engaged a carriage to take them to Bonneville. To reach that

place it was necessary for Mr Beard to return to Geneva, and he accordingly went back, and a lucky chance favoured the great object he had in view. Making a purchase of books at Munroe's English Library on the Quai des Bergues, he learnt that Davidson and Gordon had been well known there while staying in Geneva in the course of the previous summer; that a Dr Davidson and family were residing there at that time, at whose house Davidson and Gordon constantly visited, *but that the acquaintance was not recognised in public.* Mr Munroe's son, who gave this information, added that Dr Davidson and family had gone to live in Naples. This was a ray of light for Mr. Beard: he at once concluded that the fugitives would make for Naples, and thither he resolved to track them every inch of the way.

But before he set out directly on the journey, Mr Beard resolved to try what was known at Bonneville, and took the diligence for that place. At the Hotel de la Couronne he opened the landlord's heart with a bottle of his port wine, and was told by him that Davidson and Gordon had been there, calling themselves George Sedgwick and Charles Gray, with a passport from the English Ambassador in Paris: they were bad people, Mr Hartman said,—one of them (indicating Davidson) was always tipsy, and they made a great show of their dirks and revolvers; he added, that they had left Bonneville in the diligence for Annecy. Returning once more to Geneva, Mr Beard sent a telegraphic

message to Annecy, and got back for answer that the two persons described had left in the Turin diligence under the name of Forbes. He then telegraphed to Turin and Genoa, and found that the fugitives had arrived at the former place on the 4th January, had stayed at the Hotel Feder, under the old names of Sedgwick and Gray, and had left on the 6th, *destination unknown*. To Turin, therefore, Mr Beard proceeded, arrived there on the 12th, obtained the assistance next day of Mr Hudson, the British Minister, searched the city unsuccessfully, and then pushed on by rail for Genoa, where he put up at the Genoese Hotel Feder the same night.

Mr Beard's own Diary will show what steps were taken by him in Genoa :—

“ January 14, 1855. Had a long conversation with Mr Feder, jun., who informed me that Davidson and Gordon came there, intending to stay some time, and inquired for a teacher of Italian, to learn the language, but only took one lesson, and suddenly left one afternoon, stating that they were going to Milan ; they had, however, been seen in the town two days subsequently. Visited Mr Brown, English Consul, and received active assistance from him and his son for several days.

“ 15th.—Went with the Consul to the Intendente and Chief of the Passport-office, supposing them still in the town ; had the registers of all the hotels and lodging-houses examined ; went about disguised with spectacles, and false black beard and moustaches. Telephraged to all parts ; searched the registers of all the steam-boats and diligences, without success ; visited a reading-room constantly which Davidson and Gordon had frequented ; called on a bookseller named Grondona, whose shop they used ; got no information from him, though I could see he was in possession of some.

“ 16th.—Had Grondona before the Questore, to see if he would tell anything ; no good resulted.

" 17th and 18th.—Visiting the Intendente and Questore, morning, noon, and night, but no news.

\* \* \* \* \*

" 22nd.—Made the acquaintance of the Chevalier Prandi at the *table d'hôte*; gave an account of my pursuit of Davidson and Gordon, and their assumed names; was introduced by him to Signore Vanetti, Director of the Messageries, who informed me that Davidson and Gordon had been several times to his office, inquiring for a package from Neufchâtel; they had not been now for some days, and he had two letters and a package for *Charles Gray*. He gave me the letters. One was from Madlle Ida Fornachon, at Neufchâtel, regretting their departure, and telling of the search I had made in the house.\* The package I afterwards seized, through the Consul and Intendente; it

---

\* The following is a translation of the most amusing parts of Madlle Ida Fornachon's letter:—

" Neufchâtel, 5th January, 1854.

" Be without fear about you know what.

" I yesterday received your letter, which, as you may suppose, gave us great pleasure. We write this with the object of satisfying you of the safety of the deposit which you confided to the two ladies F., and of the greater part of the things which you most want, such as linen and clothes. Everything that could be saved from the search we secured. If you could have seen how those people pounced, like birds of prey, on the things which remained, it would have made you laugh! One of the men asked mamma if she had any papers of your's? Mamma replied 'yes,' and when they demanded them she put into their hands a number of old newspapers, at which they were perfectly furious. . . . They were so convinced you were in the house, that when they returned to town Monsieur Lardy went to the Prefect to tell him so, and he wrote us a letter to say that we were closely watched, that the police had their eyes upon us, and that we had better take care how we concealed you. The two portmanteaus of *Uncle Tomm* are filled with all sorts of things, and sealed up. . . . As to the bill (*bon*) we have kept that, and do not send it, being so closely watched, for if they discovered what we were doing they would put us in the cage (*en cage*), but not take so much care of us as *Uncle John* did of my canary. . . . If you knew how dull the house is since

contained a large supply of clothing. Heard from a teacher of languages, to whom Mr Feder had introduced me, that Grondona, the bookseller, knew Davidson and Gordon had removed from the Hotel Feder to the

you went away! The piano is no more touched, and is dull too, and 'Michel et Cristine' is no longer played. . . . . We wrote to you on the 3rd to London, and sent the letter into the Canton de Vaud to be put in the post. I hope you will understand what we said. Write in reply to the address of M. Charles Petitpierre, at Neufchâtel, the place where you bought the caps (*casquettes*) before you left. . . . Do not let too many persons become acquainted with you, for you are hunted after as people look for a needle, and please do not go out too much. Adieu. We perfectly understood your letter. Rely upon our devotion to you, and believe me always,

"CHRISTINE IDALETTE."

Notwithstanding the bold front which Madame Fornachon and her daughter assumed, their courage failed when they were afterwards interrogated before the Criminal Tribunal of Neufchâtel, and they confessed to all they knew about the property left behind by Davidson and Gordon. Search was made in a cupboard at Madame Fornachon's house, and a sealed packet discovered containing Prussian railway shares of the value of over 1,000 $\text{\AA}$ , which eventually were confiscated to meet one of the claims of Mr Beard. Besides Madame Fornachon, her daughter, and her sister Madame Petitpierre, M. Junod, the companion of Davidson and Gordon's flight from Neufchâtel, was interrogated, and, in addition to other matters, it was ascertained that the person to whom Madame Fornachon forwarded her letters for Davidson and Gordon was "Mr Sedgwick, No. 47 Moorgate street." M. Junod also produced a letter of Gordon's, dated December 30, 1854, with no local mark or stamp, in which, rejoicing at having so far proceeded in safety, he says: "I trust, since *Providence has protected us until now*, that he will not abandon us!" This swindler's reliance upon Providence is something akin to that of Bepo, in Lord Byron's poem—

"He said that *Providence* protected him—  
For my part I say nothing, lest we clash  
In our opinions ;—"

Hotel d'Italie ; went there with Mr Brown, jun., and found, after giving a description of the men, that they were entered in the hotel-book as Jones, of Canada, and Elmslie, of Scotland ; landlord remarked that they drank greatly. On the 10th they left the hotel, carrying their own luggage, and refusing to have a porter, saying that they were going to Turin."

From what follows it appears that the fugitives resorted to another dodge, in order to accomplish their evasion without leaving any trace.

" January 24th.—Searched the registers of all diligences and boats leaving on the 10th, but could not find any likely names ; the only English inscribed on that day were Henry Wm. Hodding and Servant on the boat for Leghorn.\* As a last resort, went to the boatmen at the port, and found one who had taken the two men on board ; the same steamer happened luckily to be in port on her return voyage ; visited the Steward on board, and, crossing his palm, was informed that my two friends had embarked as master and servant, but when the boat was at sea, the servant had given him a five-franc piece to be allowed the same accommodation as the master. The Steward added, they were very nice people, and drank lots of 'Rhum.' Having got this trace, it was impossible for Davidson and Gordon to change their passports in Italy, as each step on the route was necessary for regularity. Sailed for Leghorn. Arrived on Sunday morning. Visited the English Consul, received great attention, and found Davidson and Gordon had visited Florence, then returned to Leghorn, and embarked for Civita Vecchia.

" 26th.—Embarked for Civita Vecchia. Arrived on the 27th. Saw Mr Lowe, Vice Consul ; very active and intelligent. Found Davidson and Gordon had gone to Rome, but had not returned ; thought, as they had a start of ten days, they would have seen Rome, and gone by land to Naples. Wrote to Mr Freeborn, Consul at Rome, and determined to go on by steamer to Naples.

---

\* The passport H. W. Hodding was dated London, 31st December, 1855, procured through Sir Benjamin Hawes, for a young Surgeon proceeding to the Crimea. Davidson and Gordon got this passport at Genoa, and afterwards inserted—" and Servant."

“Arrived at Naples on the morning of 28th January; procured a Sicilian Commissioner; put up at the Hotel de Russie. Visited the British Embassy. Saw there one of the Attachés, who stated that Davidson and Gordon could not be in Naples, because they were not entered in the books of the Legation; he refused to send anyone with me to the Passport-office to make enquiries. Sent my Sicilian, and found Davidson and Gordon had been located four days at the Hotel de Rome, exactly facing my lodgings. Hired two Lazzaroni to watch Davidson and Gordon. Went to the Ambassador's in the evening; requested to see him; refused by a magnificent porter; slipped a piastre into his hand, and obtained an audience, at 7 p.m.; related my errand; demanded the arrest of Davidson and Gordon; was told by Sir W. Temple, there were many difficulties; replied I knew them, and did not come to him for information on those points, but for help to get over the difficulties; assistance refused. Went with the Sicilian Commissioner to waste ground near the Bay; dark night; he pointed out two figures in the distance; said they were Davidson and Gordon; requested him to stand whilst I advanced to have a close look; Sicilian seized hold of me, making a great noise; he said I should be murdered, as they had pistols and dirks; took a close look; recognised them; had their Hotel guarded at night; bribed the waiter and boots of their Hotel to give information of any attempt to escape.

“Went next morning to the head of the Passport-office; gave him 10*l.* He sent for Davidson and Gordon to know why they had not taken up their *carte de séjour*. Gordon waited on him, and was ordered to take his passports to the British Embassy; got Mr Park, one of the first English merchants in Naples, to go with me to the Ambassador, and to the Director of Neapolitan Police. The latter was afraid to act against Davidson and Gordon without the authority of Sir W. Temple; could not get the latter to do anything. Was advised to go before our Consul, and make affidavit that H. Hodding and servant were Davidson and Gordon, with false passports: did so, and served the affidavit at the Embassy; passports stopped. Gordon applied for them, was refused; he went to the Passport-office, complaining of this; was asked what he had been doing wrong; replied, ‘Nothing;’ said his name was Hodding; when told it was Gordon, he nearly fainted, and offered any amount of money for another passport: this was refused. Gordon presented his revolver to one of the Lazzaroni, threatening to shoot him for

following wherever he went ; man was frightened, and complained to me—(persons carrying arms in Naples liable to imprisonment) ; reported this to the police, but could not get them to arrest, the word of a Lazzaroni not being accepted. Wrote off to the Foreign-office, requesting Lord Clarendon to send orders for arrest. Waited on Sir W. Temple day after day, urging arrest, as I got information they were trying to arrange for escape with a vetturino, and a captain of an American ship. After much writing and trouble, got him to request the Neapolitan authorities to put Davidson and Gordon under police surveillance. This was effected, and two villainous-looking fellows were appointed to watch them night and day, walking after them wherever they went. Met Davidson and Gordon daily, at the Villa Reale, the English News-room, the Embassy, and at all the sights, also at the English church, also when on the watch after them. A sack of gold, and other property, taken by Davidson and Gordon to Dr Davidson's house. Gordon admitted at the Embassy that they were fraudulent bankrupts, but said they were never accused of forgery ; asked, if orders arrived for arrest, that it might be done quietly."

Mr Beard waited in Naples a month for a reply from the Foreign Office,\* but at the end of that time, his

---

\* Although some delay occurred (which could not be avoided) in the transmission of the expected reply, Lord Clarendon had not been inattentive to the wishes of Mr Beard, as the following letter will show, which reached Naples after that gentleman's departure :

" Foreign Office, February 23, 1855.

" Sir,—I am directed by the Earl of Clarendon to acknowledge the receipt of your letter of the 2nd instant, and to state to you that his Lordship, having consulted the proper Law-officer of the Crown, has instructed Sir William Temple, her Majesty's Minister at Naples, to take such measures as he may consider advisable to secure the apprehension of Messrs Davidson and Gordon, and their delivery into the hands of the British authorities at Malta, so as to ensure their being brought to justice. I am to add, with reference to the observations which you make in your letter, that it does not appear that you stated to Sir William Temple, when you requested his assistance for the

business requiring his return to Manchester, he set out for England, reached London in four days, and, applying at the Foreign Office, saw Lord Wodehouse, who stated that the necessary instructions had been sent off a fortnight previously; it appeared, however, that they had been despatched *via* Malta, under the supposition, on the part of the officials, of its being the most direct route. After this interview, Mr Beard received a communication from Naples to the effect that the British Minister there had received positive orders for making the arrest, but that he had not yet acted upon them. He therefore wrote to Lord Clarendon, and received the following reply, explaining what the difficulties were which had thwarted his Lordship's efforts to secure the fugitives:—

“ Foreign Office, March 20, 1855.

“ Sir,—I am directed by the Earl of Clarendon to acknowledge the receipt of your letter of the 14th instant, complaining that no steps had been taken by her Majesty's Minister at Naples to obtain the arrest of Messrs Davidson and Gordon, the two fraudulent bankrupts mentioned in your letter of the 2nd ultimo; and I am to state to you, in reply, that the difficulty of securing the persons of these two bankrupts has arisen, in the present instance, from there being no convention between this country and the kingdom of the Two Sicilies for the mutual surrender of persons fugitives from justice, and that it has consequently been impossible to take criminal proceedings against

---

apprehension of Messrs Davidson and Gordon, that those persons had been guilty of felony, or that any criminal proceedings had been instituted against them, or that any warrant had been issued for their apprehension.

“ I am, &c.,

“ WODEHOUSE.”

Messrs Davidson and Gordon, at Naples, upon the charge brought against them in England. I am to add, that all that her Majesty's Minister at Naples could do in this case was to refuse to fix the *visa* of the Legation to their passports, without which they could not leave the Neapolitan dominions, and then, with the concurrence of the Neapolitan authorities, to take measures, as you have already been informed Sir William Temple has been instructed to do, for their being sent to Malta, with the view of ulterior measures being taken against them. I am further to add, that Sir William Temple has not yet reported what steps he has taken for securing, if possible, the persons of the two bankrupts, but that he will be instructed to send home, forthwith, a report of his proceedings in this matter.

"I am, &c.

"WODEHOUSE."

Very shortly after the receipt of this letter, the measures referred to by Lord Wodehouse were taken : Davidson and Gordon were arrested and sent on to Malta, whither the London police officer, Bull, was sent with a warrant from Alderman Farebrother to take them into custody. Bull reached Malta on the 2nd of April, but fortune still seemed to favour the fugitives, for on endeavouring to enforce his warrant, it was held to be illegal, and the Magistrate at Valetta discharged them. It was, however, useless for them to contend further against their inevitable fate, and they embarked for England in the Indus steamer, under the surveillance of Mr Mark Bull, who accompanied them to Southampton, when they were at once taken into custody and conveyed to London, ten months after their evasion.

## CHAPTER VII.

---

EXAMINATIONS OF DAVIDSON AND GORDON AT GUILDFORD.—SIR PETER LAURIE'S INDEPENDENT CONDUCT.—THE CIRCULATION OF FRAUDULENT WARRANTS THE GREAT FEATURE OF THEIR BUSINESS.—RISK OF DISCOVERY IN 1851.—TRANSACTION WITH MR J. R. EDWARDS.—OPINION OF THE RECORDER OF LONDON.—FIRST STATEMENT OF MR DAVID BARCLAY CHAPMAN.—EVIDENCE OF MR WM. BOIS.—DISCREPANCY BETWEEN THE TWO STATEMENTS.—RESULTS OF THE CONCEALMENT OF THE PRISONERS' DISHONESTY.—CASE OF MESSRS FREEMAN AND VAUGHAN.—THEY PROSECUTE MALTBY.—A CONTRAST.—CASE OF MESSRS BARNETT, HOARE, AND CO.—MR T. WEBB'S EVIDENCE.—MR D. B. CHAPMAN'S SECOND STATEMENT, SOMEWHAT DIFFERENT FROM THE FIRST.—MR D. B. CHAPMAN'S THIRD STATEMENT EXHIBITS FURTHER VARIATIONS.—MR D. B. CHAPMAN'S FOURTH STATEMENT DIFFERS IN ONE IMPORTANT RESPECT FROM ALL HE HAD SAID BEFORE.—A "PERFECTLY PASSIVE" CONDITION.

DAVIDSON and Gordon being at length in safe custody, the legal proceedings began which eventually—and *fortunately*—terminated in their conviction on one of the numerous charges brought against them. The word "fortunately" is used advisedly, for what with the reluctance to prosecute which was manifested by the City authorities, and the loopholes of the law through which

the prisoners escaped on two different occasions, it was no easy matter to bring the charges home to them, although the moral certainty of their guilt was impressed on every mind.

The examinations which resulted in the committal of Davidson and Gordon for trial, took place at Guildhall, and occupied exactly three months, during the whole of which period—with the exception of the first examination, a formal one only, when Sir J. Musgrove presided—the proceedings took place before Alderman Sir Peter Laurie, and too much praise cannot be bestowed on that upright and impartial magistrate, for the acuteness, the firmness, and the independence which he displayed throughout the whole conduct of the case. The prisoners, in these preliminary examinations, were charged, under the Bankrupt Law Consolidation Act of 1849, with not surrendering at the time and place appointed, after notice had been given of adjudication in bankruptcy. Mr Ballantine prosecuted on the part of Messrs Linklater, the Solicitors to the Bankrupts' estate, and Mr Clarkson and Mr Bodkin, defended the prisoners.

It is scarcely necessary to observe, that in a narrative like this the reader must not look for any lengthened details of the proceedings, with the issue of which he is already fully acquainted, the real object of these pages being to indicate the criminality of three conspirators—Cole, Davidson, and Gordon—and to show what was the course adopted by those who, failing to

denounce the frauds which came to their knowledge, inflicted thereby the most serious injury on the interests of the mercantile community. It will be sufficient, therefore, if we give the general facts of the case, and illustrate it by the most striking points of the evidence.

The great feature of the transactions by means of which Cole, on the one hand, and Davidson and Gordon on the other, contrived to sustain their commercial credit, was the emission and circulation of fraudulent warrants. These worthless documents, pledged in all directions, represented, and consequently were the means of raising, an enormous amount of capital, some of which was applied to the purposes of legitimate trading, but by far the greater part was devoted to the shifting necessities of a system which called for almost daily sacrifices. The whole scheme was so rotten, that how it lasted so long as it did is the great wonder: that it was not sooner destroyed was owing solely to its own inevitable entanglements, not to considerations of justice or any regard for public morality. There was, however, a moment in the earlier operations of these men when accident very nearly led to an exposure of the principle on which they were conducted. The fact was elicited at an advanced period of the Guildhall examinations, but it may appropriately be mentioned here.

In the course of the year 1851, Mr J. R. Edwards, of the firm of Edwards and Mathey, Colonial Brokers in Mincing Lane, received warrants from Gordon representing (amongst others) a certain quantity of Spelter

lying at Hagen's Wharf, but in consequence of some information from Mr Wilkinson, his clerk, he spoke to Gordon on the subject, at Cole's office in Birch Lane, in the presence of his own partner, Mr Mathey. Mr Edwards told Gordon, before Cole, that he had sent to Hagen's Wharf, and was much surprised that the Spelter warrants deposited as security were of no avail, as there was a stop on the Spelter, by Messrs Leo Schuster and Co.; he added that Gordon had brought a very improper transaction to him, and that he ought to have known a warrant with a stop on it was a valueless thing. On this Cole stepped forward and said:— “I am aware there is a stop on this Spelter;” an avowal which very naturally excited the anger of Mr Edwards, when the sum which he had advanced upon it is considered. The whole amount of his advance on the Spelter was 4,200*l.*, but the warrant with the stop on it only represented a part of that sum. The securities that had been deposited with Messrs Edwards and Mathey were 350 tons of Spelter, 300 of which lay at Hagen's Wharf, and other portions at wharves they were perfectly acquainted with. The reason, Mr Edwards said, why he sent down to Hagen's Wharf, was because he had not heard of it before; and so much of the Spelter being there, he deemed it a matter of prudence to make inquiry. Mr Edwards repeated to both Cole and Gordon, that it was a very improper transaction, and, to use his own words, “began to find that his money might be in jeopardy, never having seen Cole till that

occasion, and not having heard very much of him." He then told Gordon he wished him to put the stop of Schuster's straight, and unless the advances were returned to him that afternoon, *he would have Gordon up at the Mansion House*; upon which Gordon, deprecating Mr Edwards's wrath, replied, "Don't be violent!" and added: "if you will rest quiet till this afternoon" (it was then half-past three, too late to do anything) "I will give you my word that the stop of Schuster's shall be removed in the morning, and you shall be satisfied with your security." Mr Edwards agreed to this, and Gordon made an appointment with him for the following morning: being busy, however, at the hour named, Mr Edwards sent his clerk Wilkinson, who had been to Hagen's Wharf before, and he returned saying that the Spelter was there, and that the warrants were valid. This satisfied Mr Edwards, the transaction remained undisturbed, and at the expiration of the time —viz., four months—for which the advance was made, the money was gradually repaid, and the warrant for the goods on Hagen's Wharf returned. The last payment, which took place on the 1st November, 1851, consisted of a cheque for 420*l.*, drawn by Messrs Lord and Co., who had recently begun to have dealings with Davidson and Gordon, and who in the course of their business received from Hagen's Wharf warrants that were fictitious, *the one which had been held by Mr Edwards being amongst the number.*

From the preceding statement it will be perceived

that the system of trading in spurious warrants began as far back, at least, as the summer of 1851, (see also Messrs Short's letters in Appendix B.): and, thanks to the amiable forbearance of Messrs Overend, Gurney, and Co., it continued to prosper until the summer of 1854, though it might have been exposed by them full seven months earlier, with what advantage to the merchants of London need not be said.

In his address to the Grand Jury previous to the first trial of Davidson and Gordon at the Central Criminal Court, in August last, the Recorder, the Right Hon. J. Stuart Wortley, observed: "I will not anticipate anything, lest I might be the means of doing injustice, but I will say that I believe it to be unfortunate, *that those who had a knowledge of the position of those parties, in an earlier stage of their proceedings, did not take means to stay them.* It may have been from motives of kindness, but I think they were mistaken motives, *and that they were the means of inflicting injury upon other parties.*"

These "motives of kindness," which the Recorder justly—though too mildly—characterised, will presently be inquired into, and the public, we imagine, will be inclined to think, after the inquiry has been made, that the "kindness" of Messrs Overend, Gurney, and Co. was chiefly displayed towards themselves.

At the examination which took place on May 17th, 1855, before Sir Peter Laurie, the evidence of Mr

David Barclay Chapman (the managing partner of Overend, Gurney, and Co.) and of his clerk Mr Bois, was given as follows :

“ David Barclay Chapman said : I am a member of the firm of Overend, Gurney, and Co., of Lombard Street. We call ourselves Money-lenders. I have known Gordon some years. He was originally in the house of Sargant, Gordon, and Co., and subsequently renewed negotiations with us in 1848, and continued to do so down to October 1853. During the years 1852-3 he deposited warrants with us for the purpose of obtaining advances of money upon them. The warrants we hold represent goods to the amount of 80,000*l.* These fictitious warrants were mixed up with other warrants, and so eluded the observation of our managing clerk. They were so artfully made out that it was next to impossible to detect the imposition. The loans fell due from time to time, and were renewed, and fearing no risk we continued transactions with him. All these warrants are, I believe, *what is called* fraudulent, but I cannot speak positively. I have not been able to find the goods they represent ; I only know this, that when our clerk went down to the wharf to enquire about them, he found the warehouse empty. We discovered these warrants were fictitious in October, 1853, and about the same time I saw Gordon at our house in Lombard Street. That interview took place in the presence of Mr Cole ; Mr Cole came with Gordon. We

had previously made the discovery that the warrants were not genuine. We became dissatisfied in consequence of the loan on these warrants being deferred from time to time, although it appeared to us that our risk was completely covered. *I had sent the broker\* to examine the Copper and Spelter*, and when I told him that I should not be satisfied unless I went to the wharf, he told me that Maltby, who held the wharf, was *under the control of Cole.*† *Upon this*, I went to Cole and asked him if these‡ warrants were all right, and *he said they were not, there was something wrong about them.* I cannot say what took place between us at the interview I have mentioned, because the conversation was general. I asked Gordon what was the extent of the fraud, and how he had disposed of the money? I cannot say what were the exact words that passed at that time. Mr Ballantine: I must have the precise words from you, Mr Chapman, the same as I would from the commonest witness in the court. Witness: I cannot remember distinctly, but when Gordon and Cole came to our house I asked Gordon if the warrants represented goods or 'nothing.' I cannot say he

---

\* The broker, it must be borne in mind, was sent to Hagen's Wharf "as early as the spring of 1853;" Cole's avowal that they were not genuine was made in October. See *ante* note at p. 76.

† This evidence was of itself quite sufficient to have convicted Cole; Maltby's letters confirm this.

‡ Four months later!

admitted the fact in words, but he shook his head, and looked as if to intimate that it was so. He said the distillery at West Ham was all right, and that he was making 1,000*l.* per week by it. Sir Peter Laurie: What was the conversation that took place? Witness: *Nothing, sir; we made no arrangement before he left,* nor did I receive any securities. *We received no security from Cole.* Gordon offered me the lease of his distillery, but we returned it. The lease was left for our solicitor to look over, but we never received it as security. We received nothing after this. We received a promissory note of Davidson and Gordon, payable to Cole, Brothers, for 120,000*l.* Cole represented himself as perfectly solvent, and that the money we had been robbed of had been lent to the distillery. The deeds of the distillery were given up to the assignees on Cole's becoming a bankrupt.\* Cole did not deposit anything with us at the time. We had the warrants to a very large amount; 120,000*l.* would cover it. We had no dealings with them after that. The securities which were good were afterwards realised."

"Mr William Bois said: I am clerk to Overend, Gurney, and Co. The dealings with the prisoners were transacted through me. I have no doubt I received these warrants from Gordon personally. He was the person

---

\* The "deeds" (meaning the lease) were only given up to Cole's assignees on Sept. 15, 1854, and not then until after repeated demands from Mr Murray. (See his note to Mr Laing, p. 144.) Cole's bankruptcy took place on the 19th of August.

I was usually in communication with. I made no inquiries about them, because I had no doubt they were good. We had a number of warrants for Hagen's Wharf, and discovered their fraudulency in October, 1853. I was present at the interview between Mr Chapman, Gordon, and Cole. It is so long since that I don't recollect what occurred. There is nothing in the matter that I desire to keep back. The purport of the interview was to know why the prisoners had acted in that way, by giving in so many fictitious warrants, *and they were also asked what they could give to make up the deficiency.* I cannot say what Gordon said to that. *He represented the distillery at West Ham to be a very valuable property;* and if he was allowed time he could work it out. The real value of the distillery was then discussed, and it was arranged to be made available to Overend, Gurney, and Co., in a general way, *by paying them out of the profits.* Something was said about security, but Gordon did not say that he could give anything that I am aware. Gordon then went away, and I have seen him several times since. On those occasions I have spoken to him about the matter, but I cannot recal what I said to him or he to me. I will swear that I cannot recollect. He came in and behaved as a gentleman, and I treated him as such. Mr Ballantine: *Do you mean to say that you treated him as a gentleman throughout, though he had passed off fictitious warrants to the extent of 80,000l?* Witness: *I did, sir.* I know nothing about the deeds of the distillery.

They were taken into the partners' room. The promissory note of Cole had nothing to do with Gordon."

The memory of Mr Bois, imperfect as in many respects it was, proved more retentive than that of Mr Chapman; the subordinate remembered what concerned the interests of the house more than the principal! Mr Bois says: "They were also asked what they could give to make up the deficiency;" Gordon "represented the distillery at West Ham to be a very valuable property;" its real value was discussed; "it was arranged to be made available to Overend, Gurney, and Co.;" and "the deeds were taken into the partners' room." So that, at all events—though according to Mr Chapman "no conversation took place"—arrangements were made for the future reimbursement of Overend, Gurney, and Co. The acceptance also, and the promissory note for 120,000*l.* from Cole, was another indication of the prospective wisdom, or "kindness," of Messrs Overend, Gurney, and Co.; but there was more of this "kindness" to follow.

Its first results were exhibited at the expense of Mr Philip Vaughan, a partner in the firm of Freeman and Co., Copper Merchants, of Bristol.

This gentleman, whose evidence was taken at Guildhall on May 24th, 1854, stated that Davidson and Gordon were agents to his firm, and had incurred a debt to him of 18,559*l.*, by their having misappropriated copper entrusted to them for sale. *On the 18th of October, 1853* (five days after Cole's acknow-

ledgment to Messrs Overend, Gurney, and Co.), Davidson and Gordon wrote to Mr Vaughan to come to London. He did so, and when he saw them they confessed to the misappropriation. They said they had taken the copper and pretended to have sold it to others, but had in fact kept it for the purposes of the distillery in which they were engaged, having a large capital embarked in it, and making from it as much as 20,000*l.* a year. They said they should very shortly pay Messrs Freeman and Co. the full amount of their debt, and could do so without any difficulty. As security for the payment, they gave Mr Vaughan Westminster bonds for 7,000*l.* (which were not worth a farthing) and notes of hand for the remainder, payable in seven or eight months. In addition to this, they placed in Mr Vaughan's hands promissory notes, accepted by Webb, for 3,500*l.* (as worthless as the Westminster bonds), which bills they stated they had received in part of a compromise made between Webb and his creditors. They also left warrants, in Swedish steel, with Mr Vaughan, and in a subsequent transaction deposited others. *These warrants turned out to be entirely fictitious*: their supposed value was 1,700*l.* or 1,800*l.*, and *the goods were alleged to be lying at Maltby's Wharf*. None of the bills given were properly paid at maturity, but sums were paid on account. The next transaction with Mr Vaughan occurred on the 16th of February, 1854 (*four months after Cole's avowal to Messrs Over-*

*end, Gurney, and Co.).* Gordon then represented that Davidson was in Spain, and had made large purchases of Spanish barley for the distillery, that the bills of exchange were attached to the bills of lading, and must be paid before he could get the Barley, and for this purpose he wanted 1,900*l.* He said the distillery was "going on famously," and for the advance which he required he would give a *Spelter warrant of greater value*, and the bills of lading beside. (Interjectionally Mr Vaughan stated that *he never saw the Spelter, though he made inquiry for it.*) In consequence of the loan which was made, Gordon (for his firm) gave bills to the amount of 2,500*l.* (the additional 600*l.* to go towards payment of the original debt). The first of these became due in April, and not being paid, Mr Vaughan became alarmed for the first time, and wrote to the solicitor of his firm in London, to go to Maltby's Wharf, to demand that the Spelter should be put in their name, and at the same time sent the money to pay the freight, but *they never could get any account of it*, and in consequence Messrs Freeman and Vaughan brought an action against Maltby. They obtained a verdict for 2,300*l.*, but before execution could take place, Maltby had absconded, and so had Davidson and Gordon. After the action, Freeman and Co. inquired into the rest of the warrants, but could get no history of them.

The sequel to these transactions must not be omitted. *The moment Freeman and Co. had any suspicion, they*

*brought the case before a Court of Justice*, as Messrs Laing and Campbell did when they also became aware of the nature of Cole's transactions.

Had Messrs Overend, Gurney, and Co. done the same, Mr Vaughan would not have been victimised thrice over by Davidson and Gordon; neither would Messrs Barnett, Hoare, and Co.—whose case we select as about the latest—have suffered the losses which they experienced.

During the same day's proceedings—May 24th, 1855—Mr Joseph Hoare deposed, that Davidson and Gordon owed his house, at that date, from 2,000*l.* to 3,000*l.*, as security for which they held five warrants, all of them, of course, fictitious. It was the old story over again. A clerk had been sent to see the goods at Maltby's Wharf, and had returned “satisfied” with what had been shown him. Cole's connection in these transactions was made apparent by an acceptance of his for 1,000*l.*, in favour of Davidson and Gordon, which Messrs Barnett, Hoare, and Co. discounted on the security of Spelter warrants, as late as the 14th of June, 1854, three days before the prisoners absconded.

These consequences of Messrs Overend, Gurney, and Co.'s “kindness” having been mentioned, the manner in which it was expressed may be still further detailed. Mr Thomas Webb shall be the spokesman. In the evidence which he gave at Guildhall on May 24th, and afterwards repeated in the Central Criminal Court on August 23rd, he began by stating his connection with

Davidson and Gordon in relation to the West Ham Distillery, of which he was originally the proprietor. He had put up, he said, a small plant, and was buying goods in the market in Mincing Lane, by which means he became acquainted with Davidson and Gordon. After some transactions with them had taken place, an understanding was come to with Gordon that his partner and himself should advance money to carry on the distillery, that they should receive all payments (in his favour), sell all spirits, and make all payments. Accordingly in July, 1851, he executed two mortgages on the distillery. About July or August, 1853, Webb received a notice through Mr Kearsey, the solicitor of Davidson and Gordon, to pay his clients the sum of 184,000*l.*, and upon this notice they took possession. Webb did not, he admitted, owe them that amount, nor could he say how much it was; a large sum had gone to West Ham, but certainly nothing like that. It was at this time that Davidson one day told Webb of the debt to Freeman and Co., stated the nature of the transaction, and wanted Webb to break it to Mr Vaughan, but this conversation was interrupted by Gordon's entrance. It must, however, have been afterwards resumed, for Webb, in his examination, went on to say that on the 12th October, 1853, a release was given him of the sum of 184,793*l.* 12*s.* 8*d.*, which Davidson and Gordon had charged him with, and he supplied them with the three bills of exchange for 3,500*l.* which were deposited a week later with Mr

Vaughan. About this time Webb frequently saw Davidson and Gordon, and on one of these occasions Gordon related the particulars of his interview with Mr Chapman, when Cole and Mr Bois were present. It was given by Webb in the following words :

“ One morning, somewhere about the 23rd October, 1853,\* I was at Davidson and Gordon’s, and Davidson said to him, ‘ Gurneys are selling me up.’ I asked him what the meaning of it was ? He showed me a letter where they had sold as much as 30,000*l.* worth of Spelter. I forgot the price of that ; it was a high price. I said, ‘ This is a good sale, if it was bought for 13*l.* 10*s.*, and sold for 20*l.* ; it seems to me a good thing.’ He laughed at this. Gordon came in and appeared very much alarmed ; he looked at the letter and went away immediately. I saw Gordon the next morning. He came in very dispirited, and said, ‘ Well, I have told Overend and Gurney everything.’ I said, ‘ What is “ everything ? ” ’ or words to that effect. He replied : ‘ The warrants we have deposited with Overend and Gurney ; we can’t deliver the Spelter.’ I asked why, and he told me because the party that the Spelter belonged to (of whom it was bought) was not paid, and he had stopped the delivery. He said he had been with Mr Chapman and Cole until twelve o’clock the night before, and that *he had been obliged to acknowledge*

---

\* This is an error as to the date, but it does not affect the truth of Webb’s statement.

that he owed Cole 120,000*l.* I asked him if he did, and he said 'No.' I asked him what Mr Chapman said, and he replied that, after it was all over, Mr Chapman turned round and said he was a man always held up as an example in the City, as being a first-rate man of business and a man of great perseverance, and he looked upon him as a pattern in the world of business, and he turned round and said, 'I am sorry to find, Gordon, that you are a thief.' When I asked him further, he stated that Mr Chapman said, '*Now understand that what has taken place here to-night must not go beyond these walls.*' Mr Gordon was very much cut up, and sat there some time without saying a syllable; he then put on his hat and walked out."

To Webb's statement of what Mr Chapman had said to Gordon, Mr Chapman gave evidence which, though meant for a refutation, admitted the general truth of the relation. After alluding to some observations of Mr Ballantine, in his opening address that day, respecting himself, Mr Chapman said :

"It appears by Mr Webb's own admission that this was on the 23rd of October. Most providentially, so to speak, I kept the letter on which those sales proceeded, dated on the 10th of October. *Therefore, instead of its being on the 23rd, it was on the 10th of October.* Then I believed Mr Gordon to be a perfectly honest man. He is a man extremely well connected by marriage and by birth. I have told you, Sir Peter, that the meeting took place between me and Mr Cole

and Mr Gordon, on the 13th of October, after the hours of business. I think it was five o'clock, and having discovered at three o'clock on the afternoon of that day the condition of these warrants, I asked Cole whether all the warrants we had now of the same character deposited by Davidson and Gordon were in the same condition. I found they were. He added that he had himself lent the warrants to Davidson and Gordon; that he found that he could not get the warrants back again; and that he had withdrawn the metal. I say that, when Gordon came to my house after the hours of business, it was an interview between Cole and Gordon. *When we approached the subject, I have no doubt whatever that those words which were quoted were used by me:* 'I believed you to be an upright man, I now only look on you as a thief.' *I daresay that might take place, though I do not remember it.* My first wish was to ascertain the proportion of metal warrants which we held as being of that description, having no goods answering to them. The next was to discover what had become of so large a sum of money. Mr Cole said they were all of that description, except some small quantity of Steel. Mr Clarkson: I cannot hear this. Mr Chapman: I shall not be long. Sir P. Laurie: Mr Cole is not here. Mr Chapman: I am sure you will excuse me, sir. This was the arrangement. I then approached the subject of what became of the money; that is the important thing. Sir P. Laurie: That is what we all want to

know. Mr Chapman: *I can only say if I had not I should have felt myself very unworthy of the position I hold.* I was informed immediately by Mr Gordon stating to me that the money had gone into the distillery, and representing to me the value of the distillery property; that it was making, or capable of making, a profit at the rate of 850*l.* a-week. This paper I have not the slightest objection to produce; it was taken down on the spot from his lips. . . . . There is one point about myself—something about ‘not going beyond these walls.’ There seems to be something mysterious about it. *It did not take place.*”

The reader will notice some curious variations in the above evidence from that which Mr Chapman had given only a week before. On that occasion he said that no conversation took place with Gordon, and that no arrangements were made with him; yet, in this second statement, Mr Chapman says, “this was the arrangement,” and enters into matters detailed by Gordon, which were “taken down on the spot from his lips!”

But we must prepare for a little more variety before Mr Chapman has quite done. Indeed, he appears to have been sensible that he occasionally deposed somewhat hastily, for previously to giving the evidence last quoted, he expressed himself desirous of correcting an expression attributed to him in his first deposition, to the effect that he had no dealings with Davidson and Gordon after the exposure on the 13th October, 1853.

“ I believe,” said Mr Chapman, “ I did say so ; but I found when I got home that we had some transactions connected with the winding up of matters, and I immediately wrote to Mr Linklater to explain that.” This subject was referred to at the examination of May 31, by Mr Edwin James, Q.C., who watched the proceedings on the part of Messrs Overend, Gurney, and Co., and who repeated, on the part of his client, Mr Chapman, that “ the transactions which appeared in the bill book *had nothing whatever to do with any warrants.* These advances were upon bills which had reference to prior advances.” Respecting these discounts something further will have to be said. At present Mr Chapman’s different versions of the memorable interview of the 13th October, 1853, must be recorded.

At the first trial of Davidson and Gordon, in the Central Criminal Court, August 23rd, 1855, Mr Chapman’s memory seemed less at his command than ever.\* After stating the losses of his house in the transactions with the prisoners, Mr Ballantine, who conducted the prosecution, asked him :—

Q. When Gordon came to you, what did you say? A. It is difficult to say. *We had a considerable conversation* in the presence of Mr Bois, our confidential clerk. Q. Did you mention to Gordon what you had heard about the warrants? A. I did. Q. What did you tell him? A. I really cannot say : you see it is so long ago ; and, in reality, *I said little or nothing.* Q. Why, just now you said you had “ a considerable conversation ; ” you must have said *something* of what you heard from Cole? A. I really cannot remember the words, but the

---

\* This examination is taken from a short-hand report of the trial.

substance of the conversation was to inquire to what extent we were losers,—to ascertain to what depth we were involved in these transactions. . . . . Q. Now tell us what it was you said?

*A. The state of mind in which I was at the time led me to say little or nothing.* Mr. Ballantine: Then you could more easily remember it.

Mr Justice Erle: Certain things must have been said upon an occasion like this. Cole said his warrants were good for nothing, and he also said that Gordon's were as bad; and it stands to reason that you must have said to Gordon "Is that so?" Mr Chapman: I have no doubt, my lord, I said so, and that it was admitted by Cole and Gordon that all the warrants were in the same state. . . . .

Mr. Justice Erle: I wish I could get Mr Chapman to remember what exactly passed between him and Gordon. . . . Mr Ballantine:

What did you say to Gordon? Did you say he was a thief? *A. I do not believe I ever said Gordon was a thief.\* How could I say that when Cole had taken the entire thing upon his own shoulders?* I proceeded to inquire what had become of the property, and then I got the history of the distillery, which I took down upon the spot. Q. What did Gordon say upon the subject of the warrants? *A. I know nothing about that; it was no interest to us, one way or the other.* I am not aware that Gordon said anything at all about it. Q. Then not being aware, probably you wanted to find out? *A. No, we did not indeed, it was quite enough for us to know the calamity that had happened to us; we had quite enough to know at such a moment as that to hear that such a thing had overtaken us, without indulging in any personal animosity.* I take it for granted that Gordon came there in consequence of my conversation with Cole, though I cannot positively say that—I sent for him, as anybody else would, to know how he stood in relation to his affairs with us and to these warrants—I sent for him to know how he stood in relation to these warrants, that he might know from Cole what Cole had stated to me. Q. Having sent for him to ascertain how he stood in relation to these warrants, what did you say to him about these warrants? *A. I proceeded immediately, as I said before,*

---

\* Yet at the examination before Sir P. Laurie, at Guildhall, three months before, Mr Chapman swore, "I have no doubt whatever that those words which were quoted were used by me. 'I believed you to be an upright man; I now only look upon you as a thief.'"

to know the depth of our involvement in these warrants, and then to know what had become of the property. I did know the depth of our involvement too soon, from Cole, who certainly was present, and told us that, as to the whole of the warrants which we held at Hagen's Wharf, the goods were not there to represent them—those were warrants to the amount of 80,000*l.*, some of which Gordon had deposited with us. *Q.* Did not you ask Gordon any questions about that? *A.* I do not believe we did, simply because Cole had admitted that he had lent them to Gordon. *Q.* Did Gordon admit or deny, or what did he say about the genuineness of the warrants? *A.* *I do not remember a single word having passed from Gordon on the subject.*

A final extract will suffice to show that Gordon was either singularly tongue-tied, or Mr Chapman strangely incurious under all the circumstances. When the third trial of Davidson and Gordon took place in the Central Criminal Court, on December 21st and 22nd, 1855, Mr Chapman, after repeating his evidence respecting Cole's acknowledgment of the spuriousness of the warrants, was again asked what he said to Gordon on the subject. He replied as follows :

*A.* As near as I can remember, when Gordon and Cole came into the room, we approached the subject as an admitted fact, that these Hagen Wharf warrants were without value—it has been said that I indulged in some personality—I do not remember it, but, nevertheless, we proceeded then to examine what proportion of these different securities were of this character—that is to say, we had these securities as well from Cole as from Gordon. We proceeded to examine what proportion of the securities were of the character I have described, because we had various other perfectly good securities. *Q.* Was the result what you have stated, that there were fifty-three of those warrants that had been deposited by Gordon, that turned out to be of this character? *A.* I believe they were, but I know nothing about the detail of it—I ascertained that fact in company with Gordon, certainly ; it was an admitted thing in our conversation.

"*I do not remember,*" said Mr Chapman, on the 23rd of August, "*a single word having passed* from Gordon on the subject." On the 23rd of December, however, the valueless character of the warrants was "*an admitted thing in our conversation,*"—a conversation which on three several occasions Mr Chapman declared had never taken place! It is impossible to rate too highly the advantages of a good memory. That of Mr Chapman appears, like the policy of his house, to have been "*passive.*" He wound up his evidence as follows:

*Q.* Upon the statement with reference to the distillery business, were you satisfied not then to press for the payment of the debt? *A.* We took no steps whatever—we remained *perfectly passive*—the fact is, that our involvement in this affair was so great that we had to consider the subject in all its bearings, and *we determined to remain perfectly passive*, without coming to any understanding of any sort, kind, or description, with either Cole or Gordon—we *did remain perfectly passive until the bankruptcy*.

"*Perfectly passive!*" Yes. As far as related to the interests of the public. But how far passive in relation to their own? That remains to be shown.

## CHAPTER VIII.

---

AFFAIRS OF THE WEST HAM DISTILLERY.—EMBARRASSEMENTS OF DAVIDSON AND GORDON.—THEIR DEBT TO MESSRS NICHOLSON AND SONS.—NEGOTIATIONS FOR A FURTHER ADVANCE.—THE MORTGAGES ON THE DISTILLERY.—THE DEEDS SENT TO MESSRS NICHOLSON, WHO DECLINE TO LEND ANY MORE MONEY.—RETENTION OF THE DEEDS BY DAVIDSON AND GORDON.—ASSIGNMENT OF THE LEASES TO COLE.—HE SENDS THEM TO MESSRS OVEREND, GURNEY, AND CO.—THEY KEEP THE LEASES ELEVEN MONTHS IN THEIR POSSESSION.—MR GURNEY'S OBJECTIONS TO THE MANUFACTURE OF SPIRITS.—A STRUGGLE BETWEEN FEELING AND INTEREST.—PROPOSED ARRANGEMENT FOR THE SALE OF THE DISTILLERY.—SURRENDER OF THE LEASES BY MESSRS OVEREND, GURNEY, AND CO.—DRAFT OF AGREEMENT.—DISCOUNT TRANSACTIONS BETWEEN MESSRS OVEREND, GURNEY, AND CO., AND DAVIDSON AND GORDON, AFTER THE 13TH OCTOBER, 1853.—SUBSEQUENT PROFITS ARISING TO MESSRS OVEREND, GURNEY, AND CO.

THE next feature in the transactions between Messrs Overend, Gurney, and Co., and Davidson and Gordon—in conjunction with Cole—is the distillery at West Ham, the history of the affairs of which results partly from the evidence given at Guildhall, and partly from equally authentic sources.

The embarrassments of Davidson and Gordon in the management of the distillery arose full a twelvemonth

before their sudden flight; for it appears that about the middle of 1853 they were indebted to Messrs Nicholson and Sons to the extent of 19,174*l.*, for money lent and the interest due upon it. Instead, however, of clearing off their debt, Davidson and Gordon were so circumstanced as to make them desirous of increasing it, and in the month of August they entered into negotiations with Messrs Nicholson for a further loan of 20,000*l.*, offering as security certain mortgage deeds which they had received from Webb under the following circumstances:

On the 14th of September, 1849, there was due by Webb to Davidson and Gordon 12,294*l.* 16s. 2d., to secure a portion of which—viz., to the extent of 5,000*l.*—Webb executed a mortgage of the distillery plant and stock in trade, and the agreement for a lease of the premises for seven years, from 24th June, 1849, at the rent of 200*l.* a year. On the 27th May, 1850, he obtained a lease of additional premises, constituting the malting. On the 24th May, 1851, he obtained a lease of the distillery for a longer term than the seven years agreed to be granted. On the 1st July, 1851, two fresh mortgages were executed by Webb to Davidson and Gordon, which in effect neutralised that of the 14th September, 1849: one of such mortgages was of the above two leases, and the other was of the moveable articles and stock in trade, and to secure whatever balance might accrue due to Davidson and Gordon. The sum stated to be then due to

Davidson and Gordon was 42,226*l.* 4*s.* 6*d.* On the 29th June, 1853, Davidson and Gordon instructed Mr Kearsey, their solicitor, to prepare a notice to Webb. On the 1st July Davidson brought some of the deeds connected with the mortgage to Mr Kearsey, and in the afternoon of the same day left an order on Mr Kearsey's desk, on Messrs Nicholson, for the other deeds, and which last-mentioned deeds were delivered on the same day, by Messrs Nicholson, to Mr Kearsey's clerk. The deeds continued with Mr Kearsey until the 29th July.

On that day Davidson and Gordon sent for Mr Kearsey, at their counting-house, to bring with him the securities. Mr Kearsey attended as desired, and left with Gordon the two deeds of mortgage (not the leases), in order to the mortgages being examined by Messrs Nicholson's solicitor, and Mr Kearsey was requested to attend at Messrs Nicholson's counting-house on the following morning. On the 30th July Mr Kearsey attended at Messrs Nicholson's counting-house, and there met Mr Nicholson, sen., and two of his sons, Gordon, Webb, and Messrs Nicholson's solicitor, who at the time Mr Kearsey arrived had the two mortgage-deeds in his hands, which he was perusing. Mr Kearsey laid on the table the leases and other documents which he had brought with him. A considerable discussion took place, with a view to Messrs Nicholson advancing the 20,000*l.* required to carry on the distillery, on the security of these mort-

gage-deeds; it resulted, however, in Messrs Nicholson declining to make the advance, and the mortgage-deeds, leases, and documents were returned to Mr Kearsey. On the 1st August notices were served on Webb by Mr Kearsey, on behalf of Davidson and Gordon, demanding payment of 184,793*l.* 12*s.* 8*d.*, as due to them, and such notice was given in order to act on the powers of the mortgage-deeds.

Davidson and Gordon had the two mortgage-deeds left with them, to produce on the premises at West Ham, in case any person claiming through Webb should endeavour to get possession of the premises or property; and copies of such deeds were retained on the premises at West Ham by the person who was put in possession there by Davidson and Gordon. On the 4th August Mr Kearsey received instructions from Davidson and Gordon, and Cole, to prepare a conveyance of the property at West Ham from the former to the latter, for the consideration which would be stated and particularised to Mr Kearsey on the execution of the conveyance. The conveyance was executed on the evening of the 17th August, Cole, and Davidson and Gordon, having sent for the engrossments after Mr Kearsey had left for the day. The consideration-money stated and agreed between the parties was 150,000*l.*—that is to say, 1,000*l.* for the premises and 149,000*l.* for the stock in trade, &c.; this arrangement being so made to avoid the enormous stamps payable on 150,000*l.* On the 20th September Mr Kearsey, at Cole's request,

sent to him the two leases of the distillery—the conveyance thereof to Cole for the 1,000*l.*, and the agreement for sale to him of the stock in trade, &c., for 149,000*l.* At the same time Mr Kearsey wrote to Cole—"I have not got the two deeds of security given by Mr Webb to Messrs Davidson and Gordon. They are important for you to possess." As already stated, Davidson and Gordon had had away from Mr Kearsey the two mortgage-deeds, but what they had done with them between the 3rd August and the 30th September, 1853, Mr Kearsey never knew. It appears that, in addition to the two leases which were included in the mortgages, Webb had obtained a lease of a piece of ground connected with the distillery, which lease was dated prior to the mortgages—viz., 23rd March, 1850; and he subsequently obtained another lease of a further portion of land connected with the distillery, which was dated 24th June, 1852. These two leases were assigned to Davidson and Gordon, by Webb, for 100*l.*, on the 17th March, 1854.

But the leases which Cole had thus obtained from Davidson and Gordon did not long remain in his possession. He received them on the 20th September. The *éclaircissement* at Messrs Overend, Gurney, and Co.'s counting-house took place on the 13th October, and "on the following day," says Mr Chapman, in his evidence, "Cole sent the lease, or some paper of that sort, for our perusal, to satisfy us of the fact that the money he had abstracted from us he had lent to Gordon, for the

purposes of the distillery." Mr Chapman added, that the lease *was not deposited as a security, only for their perusal*—"it was not delivered to us." But, whether formally assigned or not, Messrs Overend, Gurney, and Co. took care to keep the deeds as closely as if they really looked upon them in the light of a security, and that a very valuable one.

No sooner was the lease in their possession than Mr Vallings, their solicitor, was requested to examine it, and this "*perusal*"—the retention being of course for no other purpose—lasted exactly *eleven months*!

In the evidence which Mr Vallings gave at Guildhall, on the 24th May, 1855, he said:—"I received the deeds of the West Ham Distillery from Messrs Overend, Gurney, and Co., in October 1853. They consisted"—he does not speak so slightlyingly of them as Mr Chapman had done—"of an assignment from Davidson and Gordon to Cole, an agreement for sale and purchase, and other matters. I held them until the bankruptcy of Cole, when they were delivered to the assignees of his estate."\* Mr Vallings here made an admission rather damaging to the statement of Mr Chapman, that Messrs Overend, Gurney, and Co. only received the lease to satisfy themselves about Cole's affairs, though he fenceed very adroitly with the questions that were

---

\* The lease was not sent back until Sept. 15, 1854, and then only after repeated application for it on the part of the assignees. Cole's bankruptcy was on the 19th August.

put to him by Mr Ballantine. The examintion was thus :

“ Q. It turned out they had no title whatever? A. I cannot say that; but I advised that there was *no proper security*. There was nothing done with them.—Q. They were entrusted to you to see whether there was a proper seeurity? A. To see what they were.—Q. You did not think they were very valuable, or valuable at all? A. I do not say that I *advised that a proper security could not be made*.—Q. *By those leases?* A. *Yes.*”

Mr Vallings then went on to say that there was, he thought, in July (1854) an arrangement attempted to be made of a sale of the property, in which he advised that all parties should join in a sale. “ It was thought advisable, if possible, to get a sale of all the property; to get time for the payment to Government of the duties, and, after paying the Government, then to put the money into the hands of certain gentlemen on behalf of those who were entitled to it. It was very difficult to say what was the condition of the parties.” Sir P. Laurie observed that the purport of the matter was, that the clients of Mr Vallings were not protected, to which he replied in the affirmative. Mr Chapman here interposed: “ It is,” he said, “ a mere question of feeling, but Mr Gurney said, *if it involved him in making spirits, he would have nothing to do with it.* He said he knew what the loss of the money was; but he would have nothing to do with the making of spirits.”

“ Mr Ballantine: *Is that the reason why the leases were not taken?* Mr Chapman: *Most distinctly so.* Not only so, but I will say this—the deeds were never offered to us as collateral security.\* They were

---

\* Why then did Mr Vallings give so special an opinion?

sent to us to understand the relation between Davidson, Gordon, and Cole; to explain what became of the money which these people abstracted from us; and we gave Cole a memorandum to this effect—that we would give him back those leases, which I have not the slightest doubt will be found amongst Cole's papers if they are here. Mr Vallings: The nature of the matter was explained to Mr Gurney, and Mr Gurney said distinctly, 'I will not take possession and carry on the business.' Mr Chapman: I think Mr Kearsey called upon me, and asked me about those leases something which I did not understand. I said, 'We are not in a condition to have anything to do with the lease. *We will sweep this thing off our books, and not trouble ourselves about it at all.*' Mr Kearsey: That was after the bankruptcy. Mr Chapman: It was long before, I think; but it comes to the same thing. We never would mix ourselves up with it."

Nothing, of course, could be more praiseworthy than this resolve. It was "a question of feeling," as Mr Chapman said, and it might be imagined, therefore, that "a question of feeling" it would continue to the end of the chapter. How long the rigid virtue of Mr Gurney held out will be seen in the following statement which has been made by Mr George, the managing clerk to Messrs Linklater, the solicitors to the estate of Davidson and Gordon.

He stated that he saw Mr Chapman and Mr E. Gurney at their counting-house soon after the bankruptcy, and asked Messrs Overend, Gurney, and Co. to concur in a sale of the distillery. Mr Chapman declined, and stated that the deeds and papers relating to their transactions with Davidson and Gordon had all been looked up and the account was closed; that they did not intend to allow the papers to be referred to, as Mr Samuel Gurney had a great dislike to anything that had

to do with the making of gin, to the use of which he had an insuperable objection, and would not allow his name to be mixed up in any manner with the manufacture of spirits; that they had closed the account, and did not intend to refer to it; although they had made a loss of 100,000*l.* they could still afford to smile, which few other men could do after losing so much. Messrs Nicholson and Co., the rectifiers, as we have already stated, had originally held the distillery deeds, but they had been improperly obtained by Gordon out of their hands. Their solicitor contended that Messrs Overend and Co. had no right to hold those deeds. Mr Chapman disputed this. At a subsequent interview a long conversation took place between Mr Chapman and Mr George; the latter urged that 100,000*l.* might be got for the distillery, as a gentleman of well-known responsibility was making inquiry as to purchase, and Mr George told Mr Chapman that it would not be fair to other parties nor right to themselves to prevent the sale from being effected. Mr Chapman said, "Well, you have stepped in between our feelings and our interest, and provided our names are not used or referred to, and you think a large sum can be got for the distillery, we will instruct our solicitor to produce the deeds for inspection." Some discussion then took place as to the course that should be pursued with Messrs Nicholson and Co.'s claim, and Mr Chapman wrote a note to his solicitors, and they produced the documents and furnished copies of the distillery leases at the expense of the assignees. Subsequently a

conference was held at Messrs Overend and Co.'s counting-house, and in their little parlour Mr Young (Messrs Overend and Co.'s solicitor), Mr Chapman, and Mr George had a long conference, at which Mr Young received instructions to carry out the proposed arrangement for sale of the West Ham Distillery, and a draft agreement was prepared which was submitted to Overend and Co.'s solicitors, who added the names, &c. of the house and approved the agreement which is presently set out. In the meantime Messrs Nicholson and Co.'s solicitors began to stir in the matter; the solicitor for the assignees of Cole made claim to the deeds; and at length Mr Young intimated that Messrs Overend and Co. abandoned all claim to the deeds, which were afterwards handed to Mr Murray on behalf of Cole's assignees, having remained in Overend and Co.'s hands from the month of October, 1853, to the 15th September, 1854.

Here is Mr Murray's letter announcing the relinquishment of the deeds:

"London Street, Sept. 15, 1854.

"DEAR SIR,

"I think it right to acquaint you, in an interview I have had this morning with the solicitor of Messrs Overend, Gurney, and Co., he delivered up to me, for the benefit of the estate, the deeds in their possession belonging to the West Ham Distillery.

"I remain, &c.,

"WILLIAM MURRAY.

"The Assignees of J. W. Cole, a Bankrupt."

The following is the "Agreement" referred to :

The Agreement was intended to be made between the bankrupt Cole, Messrs Nicholson, Beddoe, and Hess, the official and creditors' assignees of the estate of the bankrupts Davidson and Gordon, Messrs Nicholson and Co., the rectifiers, and Messrs Overend and Co., who are described by their solicitor as Samuel Gurney, David Barclay Chapman, Samuel Gurney the younger, Henry Edward Gurney, and David Ward Chapman, all of Lombard Street, in the City of London, money-dealers, and partners, carrying on business under the firm of Overend, Gurney, and Co. The Agreement then recites that the bankrupts Davidson and Gordon had for some time before, and at the time of their bankruptcy, carried on business, in copartnership, as distillers, at West Ham Lane, upon certain premises which were held or occupied under different landlords by virtue of various leases or agreements, and it was alleged that the legal estate in part of the premises for several terms of years was then vested in the said assignees as part of the estate and effects of the said bankrupts, and it was alleged that the legal estate in other parts of the said premises for such terms of years was vested in Cole, and that at the time of the bankruptcy there were upon, or fixed to the premises, several steam-engines, machinery, utensils, &c., and also certain spirituous liquors, malt, live and dead stock, and that the assignees of Davidson and Gordon claimed to be entitled to the equitable interest in the several terms of years in the premises as part of the estate of the bankrupts Davidson and Gordon, subject to any charges thereon which might be established against them ; and they claimed to be entitled to the fixtures, trade, buildings, steam-engines, machinery, utensils, liquors, and stock, as part of Davidson and Gordon's estate, and to sell and dispose of the fixtures and utensils for the benefit of their creditors, by reason of the same having been in the possession of the bankrupts at the time of their bankruptcy. The agreement, so far as Messrs Overend and Co. are concerned, recited as follows : "Whereas the said other parties hereto claim to have certain rights and equities to and against the whole or divers parts of the property aforesaid, and the landlord alleged that by reason of a proviso for re-entry contained in the lease demising the said part of the said premises, and under which the same had been lately occupied, and of certain matters alleged to have occurred, he

was entitled to re-enter upon the said premises and determine the said term; that the plant, steam-engines, apparatus, machinery, &c., had been seized by virtue of a warrant issued on behalf of the Commissioners of her Majesty's Inland Revenue, in respect of duties due from the bankrupts, and a sale by order of the said Commissioners had been advertised; and that it was desirable that the property, whether included in the said seizure or not, should be sold with the concurrence of all the parties hereto, and without prejudice to any question between them as to the right to the proceeds of such sale, and, for that purpose, that the assignees should be allowed to make arrangements with the Commissioners and the other parties, that the assignees should be at liberty to make such arrangements with the Commissioners and other parties, and on such terms as might be practicable, and for the interests of all parties, for selling, by the authority of the Commissioners, the said property hereinbefore referred to, and also such arrangements as might be practicable and advisable with the lessors for waiving the forfeiture of the said premises, or for procuring from them a new lease, or leases, of the premises, for more effectually carrying out the sale of the property, and all parties were to concur in such arrangements and in the sale of the property, and in doing all acts necessary for vesting the legal and other estate and interest in the property in the purchaser, freed from all claims; the proceeds of the sale should be applied in paying the claims of the Commissioners for duties, and the costs of maintaining the property and preparing for sale, and occasioned by that agreement and sale, and subject thereto, the residue of the said proceeds should be deposited in the Bank of England, to an account to be opened there in the joint names of Isaac Nicholson, the official assignee, and of , nominated for that purpose by and on behalf of the said Samuel Gurney, D. B. Chapman, Samuel Gurney the younger, Henry Edward Young, and David Ward Chapman, and Cole, to be by them held and retained until the rights and claims of all the parties thereto should be ascertained and settled, and when the same should be so settled and ascertained, the amount of the residue of the said proceeds of sale, together with interest thereon, should be paid. And the Agreement then proceeds as follows: "And it is hereby agreed and declared that nothing herein contained, nor for concurrence in any such sale or other arrangement, shall in any way prejudice, vary, or alter any claim or right of the

parties thereto, or any of them ; but the said parties hereto shall still have the same rights and remedies to, upon, or against the residue of the said proceeds as they would have had but for the said sale, or the arrangements hereby made or provided for, against the property, or any part thereof respectively.

The discount transactions between Messrs Overend, Gurney, and Co., and Davidson and Gordon, after the events of the 13th October, 1853, remain now to be adverted to. It will be remembered (*ante*, p. 130), that Mr Chapman said, on the 24th May, 1855, *in explanation of a former statement*, the discounts whieh appeared on the bill-book were “connected with the winding-up of matters.”

When Mr C. Walker, the clerk and book-keeper to Davidson and Gordon, was examined by Mr Ballantine on the 31st May, 1855, he stated that the discounts made by Messrs Overend, Gurney, and Co., *after October, 1853*, and which were paid into Barnett, Hoare, and Co., the bankers of Davidson and Gordon, appeared in their bill-book as follows:

			£	s.	d.
20th Nov., 1853	-	-	-	503	0 0
3rd Dec. ,,	-	-	-	260	0 0
12th ,,	(endorsed by Cole)	-	-	376	15 9
13th ,,	-	-	-	1,080	14 9
20th Jan., 1854	-	-	-	1,438	15 6
3rd Feb. ,,	-	-	-	365	14 6
<i>Ib.</i>	-	-	-	579	11 9
10th ,,	-	-	-	300	0 0
27th March	-	-	-	1,000	0 0
<i>Ib.</i>	-	-	-	383	17 6
3rd April ,,	-	-	-	1,450	0 0
			£	7,458	9 9

The final statement of the debtor and creditor account of Davidson and Gordon with Messrs Overend, Gurney, and Co., at the date when the Bankrupts absconded, appears as under:

	Dr.	£	s.	d.	
<b>1853.</b>					
October. Balance of Loan	- - - -	109,790	0	0	
Cr.					
Cash, received by Overend, Gurney, and Co., after October, 1853.					
For Spelter sold	- - - -	4,769	7	6	
„ Copper „	- - - -	12,775	6	5	
„ Coffee „	- - - -	450	1	7	
Cash as under.					
<b>1853.</b>					
December 7. Of Hoffman	- - - -	£260	0	0	
14. „ Davidson and Gordon	- - - -	550	0	0	
<b>1854.</b>					
January 3. „	Ditto	- -	500	0	0
March 27. „	Ditto	- -	130	0	0
April 4. „	Ditto	- -	100	0	0
June 9. „	Ditto	- -	1,566	7	7*
	—————	3,106	7	7	
	—————	£21,101	3	1	
	—————				

It will be observed, by the date of the last cash entry, that the sum of 1,566*l.* 7*s.* 7*d.* was realised by Messrs Overend, Gurney, and Co. on the 19th June, 1854, *the very day on which the flight of Davidson and Gordon became publicly known.* The reason why this amount was not realised sooner rests with Messrs Overend, Gurney, and Co. to explain. That they

\* See page 149.

might have done so at any time between October, 1853, and the period when it was no longer possible to conceal the state of Davidson and Gordon's affairs, appears from a correspondence which took place between the parties, dated October 17th, 1853, four days after Overend, Gurney, and Co. were aware of the fraud.\* On that day Davidson and Gordon wrote to Messrs Overend, Gurney, and Co., to say that in compliance with the request of the latter they handed an order upon a London house for the payment of any surplus that might arise from their shipments of Copper through that firm. The "order" which accompanied the letter requested that the surplus might be handed over to Messrs Overend, Gurney, and Co., after the house had repaid itself the original advance. This surplus appears, as above, to have been 1,566*l.* 7*s.* 7*d.* When one looks at the dates on which the discounts were made by Messrs Overend, Gurney, and Co., and compares them with those on which they were credited with cash from Davidson and Gordon, it becomes difficult to imagine that the transactions consisted merely in "the winding-up of matters." To a simple observer they have very much the air of transactions renewed with the especial object of diminishing the debt of Davidson and Gordon, by every available means in the power of the latter, while their credit still continued unimpaired.

---

\* Copies of the letters are in the possession of Messrs Laing and Campbell.

## CHAPTER IX.

---

CONTINUATION OF THE EXAMINATION AT GUILDHALL.—MR BALLANTINE ASKS FOR A COMMITTAL ON THREE DISTINCT CHARGES.—THE DEPOSITIONS READ.—OPINION OF THE CITY SOLICITOR.—SIR P. LAURIE RESOLVES TO SEND ALL THE EVIDENCE WITH THE DEPOSITIONS.—DEFENCE OF MESSRS OVEREND, GURNEY, AND CO., BY MR EDWIN JAMES.—OPINIONS OF THE PRESS ON THEIR CONDUCT.—MR BALLANTINE'S UNANSWERABLE REPLY TO MR JAMES.—THE CITY SOLICITOR DIRECTED TO PROSECUTE.—COLE INCLUDED IN THE INDICTMENT AGAINST DAVIDSON AND GORDON.—CLOSE OF THE EXAMINATIONS.—THE THREE PRISONERS COMMITTED FOR TRIAL.—PROCEEDINGS IN THE CENTRAL CRIMINAL COURT.—GORDON FOUND GUILTY, BUT JUDGMENT DEFERRED.—CONVICTION QUASHED ON TECHNICAL GROUNDS.—SECOND TRIAL OF DAVIDSON AND GORDON.—SECOND ACQUITTAL ON A POINT OF LAW.—THIRD TRIAL.—CONVICTION.—SENTENCE OF TWO YEARS' PENAL LABOUR.—THE CITY PROSECUTION.—DECLARATION OF THE CITY SOLICITOR.—HE ANNOUNCES, IN JULY, THAT HIS CASE IS COMPLETE.—HE DISCOVERS, IN DECEMBER, THAT IT IS BESET WITH DIFFICULTIES.—CORRESPONDENCE BETWEEN MR LAING AND THE CITY SOLICITOR, WHO CONTINUES INACTIVE.—MR LAING'S MOTIVE FOR PUBLISHING HIS NARRATIVE.—NECESSITY FOR A PUBLIC PROSECUTOR.

ON the 19th June, 1855, after the examination of Mr Edwards respecting the stop on the Spelter warrant in 1851, Mr Ballantine requested Sir Peter Laurie to commit Davidson and Gordon on three distinct charges

arising out of their bankruptcy. In doing so he made the following observations:—

“ You are aware this is a prosecution directed by the assignees, in which I am instructed by them, under an order in the Court of Bankruptcy, to enforce here a prosecution for matters which are offences against the Bankrupt-laws; and although you will have observed there are many matters which, if carried out to their full extent, involve other very serious charges indeed, the matters as to which I am instructed to call your attention are those which are connected with what—to use a familiar term—is a *fraudulent* bankruptcy. I take the liberty of asking you, as the matter now stands, to commit these two persons for non-surrender when called upon so to do; to commit them also for the credit which they have obtained under the pretence of legitimate trading, and with a view to fraud; and also for the concealment of their goods.”

Sir Peter Laurie replied:—“ I told the two prisoners, the last time I was here, that I had no doubt to-day I should commit them. I perfectly agree with Mr Ballantine in what he has stated; at the same time I am sure those in Court would wish to hear the depositions read over. It is also my duty, as a magistrate, to protect honest people against dishonest people, and I have asked the City Solicitor, who sits at my right hand, to watch the depositions, to see if anything arises which is not connected with the bankruptcy, so

that if anything of that nature does arise out of them I may instruct the City Solicitor to prosecute independently on those things."

The depositions, after certain corrections had been made, were then read, and a long discussion ensued about sending the whole of them with the committal to the Court above. The City Solicitor wished to limit them to what concerned the bankruptcy only, but this was strongly opposed by Mr Ballantine, and eventually Sir P. Laurie expressed his intention of sending up the whole of the evidence which he had heard. This was unpleasant news, perhaps, for Messrs Overend, Gurney, and Co., but there was no help for it, though Mr Edwin James, who watched the proceedings on their part, did his best to exonerate them from the imputations to which they had been exposed by the "passive" course which they had adopted. "The matter (*i. e.* the fraudulent warrants) attracted their attention," he said, "at the time, and it was referred at the time to their solicitors. It was found that considerable difficulty existed *as to any specific charge* (!); and the warrants which were deposited with them had all the appearance of genuine warrants; and when Mr Pelly was sent down, in June or July, he ascertained and found that there were goods there representing the warrants. There were some circumstances which, at that time, were not found out, and which subsequently showed these warrants to be valueless. At all events, at that time Messrs Overend, Gurney, and Co. had not materials for such a serious

charge as this. I need hardly say to you, Sir, that Messrs Overend, Gurney, and Co., having sustained considerable loss, occurring also at a time when the prospects of the money-market were gloomy and uncertain, all who consider the matter will feel that, if there was no certainty of success in a prosecution at that time, *it would have been very foolish to have originated a panic* in the market with reference to these documents, which had passed and been received as security for mercantile transactions.\* I know the City

---

\* In the 'Economist' of June 23rd, 1855, appeared the following comments on this argument:—"Whatever may be wrong in the estimation of the mercantile world in the conduct of Messrs Overend, Gurney, and Co., it is backed by the authority of the solicitor and the advocate. The 'Bankers' Magazine' for June said of this distressing case—'There does seem good ground for questioning the course pursued by one house in not denouncing these delinquents when a discovery of their frauds was first made.' 'Owing to a want of punctuality in the repayment of loans to the firm in question, the acting partner drew from Gordon the admission that the warrants deposited were fictitious so early as October, 1853. *Meanwhile the delinquents are allowed to continue their career, and subsequently to obtain advances from other money-lenders and brokers on the lodgment of similar securities.*' 'As one of the chief heads of the money-market, it was incumbent on the partners, or those who knew of the transaction, to have brought it openly to light, and prevented the introduction of any additional quantity of these simulated documents.\* No explanation of conduct like this can be offered. The *mistake* has been made, and whether it is to be attributed to the delicacy of announcing a loss, or other secret motive, it has in this instance recoiled with startling severity.' The conduct so denounced by a mercantile authority, which does not express half nor a tithe of the indignation felt amongst mer-

\* See S. Laing's letter to Pearson, page 175.

Solicitor will distinctly understand me as not saying this to throw any impediment whatever in the way of any prosecution which, in its discretion, the Court may think it right to direct him to take, but any assistance that Messrs Overend and Gurney can render will be readily given. I merely mention that, at that particular date, no sufficient evidence existed of a certainty of a conviction. This matter, as I before stated, was referred to their solicitor, and I do not hesitate to say that, had it been submitted to me, I should have given the same advice as he did."

cantile men, was sanctioned, according to Mr James, by a solicitor, and he endorses the sanction. He gives as a reason: that the parties had a serious loss, and felt that it would have been most imprudent 'to have raised a panic in the market' with regard to these fictitious documents. This means, if anything, that Messrs Overend, Gurney, and Co. kept up the value of these fictitious warrants in the market—whether or not with the intention of covering some part of their own losses, we say not—after they knew them to be fictitious, and are therefore morally and commercially, if not legally, responsible for all the mischief and all the fraud perpetrated by means of these warrants after October, 1853. To this conclusion we have come on the statement of Mr James, and on the admitted fact that they knew the fictitious character of these warrants in October, 1853, and feel ourselves bound to express it."

The 'Daily News,' of the 22nd June, 1855, made also the following observations on the subject:—"It is not our practice to prejudge legal inquiries by pronouncing an opinion on cases about to undergo a scrutiny in courts of law; we, therefore, abstain at present from comment on the recent bank failure. For the same reason the only remark we now offer on the awkward stories about forged dock warrants, which have recently been obtruded on public attention, is that we hope the unaccountable scruples of the City Solicitor as to instituting

To this casuistical pleading Mr Ballantine made an unanswerable reply. "Upon the subject," he said, "whether Messrs Overend, Gurney, and Co. ought to have instituted a prosecution or not, I am not prepared to give an opinion. That was a matter for their consideration ; but *they ought, at all events, to have allowed the matter to be publicly known, and they ought to have prevented the same means being used to commit fraud and to commit injuries upon other people.*"

At the examination of the 26th June, Sir P. Laurie announced that he had directed the City Solicitor to

---

legal proceedings regarding them may be got over. In the interest of public morals it is necessary that the subject should be thoroughly probed. But while we abstain from pronouncing an opinion on any personal accusation, at the present stage of the investigation, we are entitled to say that it is with deep regret we find it admitted that individuals who have had forged dock warrants placed in their hands as securities have compromised and hushed up the matter on a prospect being held out to them of recovering the money advanced. If any cabman detected in uttering a bad half-crown were to allege that indeed he knew it to be bad, but that having taken it unawares, he thought to save himself from loss by passing it off upon a customer, would any magistrate listen to his plea? Now, we confess that the person who allows the forger of a dock warrant to escape, on obtaining indemnity, appears to us to differ from our supposititious cabman only on account of the greater magnitude and mischief of the fraud at which he connives. And it is with regret that we hear such a practice so frequently spoken of in an apologetic tone as pardonable in men threatened with extensive losses. What is that probity worth that is not proof against the prospect of loss? And how long will that credit which is the animating principle of English industrial enterprise—the main-spring of our national greatness, survive if such a lax code of morality is allowed to prevail?"

prosecute, and the week following Mr Ballantine stated, that in consequence of this arrangement Messrs Linklater could only prosecute on affairs arising out of the bankruptcy. The next examinations, therefore, were conducted by the City Solicitor, and on the 18th July, in addition to Davidson and Gordon, Cole was included in the indictment charging them with fraud in connection with the fictitious warrants, and was brought up from Newgate on purpose. The cases which were gone into referred to the warrants held by Messrs Overend, Gurney, and Co., and several others held by Mr Vaughan, Mr Lord, and Mr Hoffman. Some cases of Cole's were also opened, those being avoided upon which he had been already tried; into the details of the evidence adduced it is not necessary to enter, as they exhibited no feature of novelty or additional importance, and the prisoners were again remanded till the 14th July. On that day the City Solicitor stated that Messrs Quilter and Ball, the accountants, were unravelling Cole's affairs *with certain parties*, and he believed the investigation would disclose *most important facts*.\* On the 30th July the City Solicitor said he should adduce no more evidence, and that his case was closed, whereupon the three prisoners, who declined to make any statement, were all committed for trial.

The nature of the transactions in which Cole, Davidson, and Gordon were combined having thus been fully developed, a brief summary of several indictments

---

\* See Messrs Quilter and Ball's Report (Appendix B.), which fully bears out the supposition of the City Solicitor.

against them in the Central Criminal Court is all that circumstances now render necessary. On the 23rd August, 1855, the indictments against Gordon for non-surrender, fraud, and embezzlement were proceeded with ; he was found GUILTY, but his counsel, Mr Montagu Chambers, having raised certain points with reference to the legality of the notice of adjudication of bankruptcy in the prisoner's absence from England, judgment was deferred, and the cases of Davidson and Cole were postponed until after the decision in the case of Gordon. That decision was favourable to the prisoner. The charge broke down, in the opinion of the Judges, from the defective evidence of one of the witnesses. Mr Hamber, the messenger of the Bankruptcy Court, deposed that he had only left one duplicate of the adjudication of bankruptcy at the counting-house of Davidson and Gordon, and not two, as the Act requires. It turned out, in point of fact, that Mr Hamber had left the duplicates, but as a defect in his evidence,—one which arose from want of memory,—could not, in the present state of our criminal law, be supplied, the conviction was necessarily quashed on this ground.

On the 19th December, 1855, Davidson and Gordon made their appearance for the second time in the Central Criminal Court, to plead to several indictments charging them with misdemeanour and felony. The case that was gone into charged the prisoners with having, after they had been adjudged bankrupts, feloniously embezzled and secreted a portion of their estate over

and above the value of 10*l.*—to wit, three bank-notes of the value of 500*l.* each—with intent thereby to defraud their creditors. In another count they were charged with embezzling money to the amount of 2,600*l.* with the like intent. Evidence of the proceedings of the prisoners on the day of their evasion having been fully given, Mr Legge, a clerk in the Union Bank of London, proved that on the same day the acceptances of Messrs Grimble and Messrs Howell were discounted by Gordon; the open cheque for 2,600*l.* given by Mr Lennard to him was presented at the bank, and paid in five 500*l.* notes, and one for 100*l.*, but he was unable to say by whom the cheque was presented. It was the embezzlement of these three notes which was charged in the first count of the indictment.

What follows with reference to the singular result of this trial, which may worthily figure hereafter amongst the *causes célèbres*, is taken from the *résumé* given by the ‘Daily News,’ in an article on the subject on the 21st December, 1855:—

“ Having proved thus much, the counsel for the prosecution were about to close their case, when Mr Baron Alderson intimated that there was no proof whatever that these three notes had ever been in the possession of the prisoners at all; it was shown, indeed, that the prisoners had been abroad, and that the notes came from abroad, but no evidence had been adduced that they had ever been in the particular parts of the Continent whence the notes came. Surely this was a some-

what singular view of the evidence. It had been shown that on the Saturday the prisoners had obtained acceptance for about 2,600*l.*; it was shown that on the same day a cheque for that amount had been paid, principally in 500*l.* notes; it was shown that on the night of that day the prisoners had fled from Dover to Ostend; it was shown that within the space of ten days afterwards three of the notes, the proceeds of the 2,600*l.* cheque, had been returned to this country from parts of the Continent closely adjacent to the port to which the prisoners had been traced. Was not this *some* proof to lay before a jury upon the issue whether the prisoners had ever had these notes in their possession? However, the proof was carried further: the 100*l.* note, and the two other notes for 500*l.* each, which together with the other three made up the amount paid over the bank counter, were shown to have formed part of the moneys handed over by Mr Elmslie to the assignees, out of the sum which Gordon had left in his hands on the day of his flight. It was shown, moreover, by entries in account-books kept by Davidson, that both prisoners had been at Ostend, Liège, and Aix-la-Chapelle. As far as proof of possession was concerned, this additional evidence seems to have satisfied even Mr Baron Alderson.

“ The case now took a different turn. The first count, it will be remembered, charged an embezzlement of the three 500*l.* notes. The Act of Parliament only applies to embezzlements committed by persons after they are

adjudged bankrupts. Now the adjudication of bankruptcy not having been till the 21st of June, and the only acts which could be considered as amounting to an embezzlement of the *notes* having taken place on Saturday the 17th, it was contended—and no doubt very properly contended—that this count must fall to the ground. The counsel for the prosecution, indeed, himself abandoned it, and proceeded to rest his case on that which charged the embezzlement of 2,600*l.* in *money*. Here he was met by fresh difficulties. Mr Baron Alderson began by taking an objection which we must say we think in the highest degree discreditable. ‘The prisoners,’ he is reported to have said, ‘were charged with embezzling money, which meant English money. The evidence was, that they had expended French and other foreign money; and that would not do!’ Mr Ballantine submitted that the word *money* might apply to both English and foreign currency, but that, if not, the Court would be justified in amending, under the salutary powers conferred by Lord Campbell’s Criminal Amendment Act. It is with great regret we find that a Judge so able and generally enlightened as Mr Baron Alderson thought it necessary to intimate that he should not feel himself justified in exerting the powers of Lord Campbell’s Act for the purpose of making so simple an amendment as this. When death by hanging was the legal punishment for stealing half-a-crown in a dwelling-house, this rigour of technical accuracy was a shield held out by humanity between the law and

its victim : to maintain it now is but to impede the stream of justice in its course, to throw discredit on the law, and to shake confidence in the wisdom of the law administrator.

“It became unnecessary, however, to press this point, for a fatal objection still remained : although the embezzlement of the *money*, the produce of the notes, had undoubtedly taken place after the adjudication in bankruptcy, it had also taken place not in this country, and therefore within the jurisdiction of the Court, but abroad, and therefore beyond it. This objection was final and conclusive. The Bankruptcy Consolidation Act had made no provision whatever for a case of such very probable occurrence as that a party intending to elude his creditors should abscond from this country with bank notes obtained here, but converted into cash on the Continent. This is a *casus omissus* in the elaborate statute, which its framers would have us regard as a complete code of the English law of bankruptcy, and which, without reckoning forms and schedules, contains no less than 278 clauses.

“As far as the charge of ‘concealment and embezzlement’ is concerned, Messrs Davidson and Gordon have been able to break triumphantly through the meshes of the law, (see Mr Laing’s letter to the City Solicitor) because, though they unquestionably both embezzled and concealed, they did not do either in this country, and the Act of Parliament is so drawn as to be powerless in this respect beyond the limits of the realm.

“Thus, then, drops the curtain on the second act of this solemn legal farce. The only moral of which it seems susceptible is one adapted for the benefit of young practitioners in fraudulent bankruptcy: Get as much paper as you can procure, paid in as many 500*l.* notes as is convenient; take care to cross the Channel before you are adjudged bankrupts; change your notes abroad as quickly as you can after that event; live on your cash *ad libitum* as long as it lasts: when your last franc is spent, surrender yourself to British justice, confident that if you are brought up on a charge of embezzlement you will be able to laugh at the law and its sages, and re-enter society with all the *éclat* of having perpetrated, and been acquitted of, a ‘Great City Fraud.’”

But although acquitted on the technical grounds which were insisted upon by Mr Baron Alderson, the prisoners, Davidson and Gordon, were not yet out of the wood. They had escaped twice: the third trial was fatal. On the 20th December they were once more brought up, charged with unlawfully and fraudulently obtaining goods under false pretences. There was no hitch upon this occasion; the prisoners were found guilty upon all the counts save one, and were sentenced to hard labour for two years. There remained, however, a further indictment against them, together with Joseph Windle Cole, but this was deferred until the following session, to be held on the 6th February, 1856. How that was disposed of has already been stated in the “Introduction” to this narrative, but the sub-

ject demands something more than a mere passing allusion.

It was stated by Mr Wild, Q.C., who conducted the prosecution on the 6th February, that "the authorities of the City of London had felt it their duty, in the first instance, to prefer another indictment, in case there should have been a failure of justice upon the other three; but as a conviction had taken place, *they felt it was now unnecessary to proceed with it.*"

This argument would have been quite conclusive, if the sole object of a fresh indictment had been simply that of going over the former ground, and heaping conviction upon conviction on the heads of men already condemned by law, and whom, moreover, no further punishment could reach. But independently of the prosecution of those who were the immediate perpetrators of the frauds which the resolute efforts of Messrs Laing and Campbell had brought to light, another and scarcely less imperative duty devolved on the City authorities—one, indeed, which went hand in hand with the original proceedings. It was not merely that of prosecuting the obvious delinquents, but—as guardians of the mercantile morality and commercial reputation of the City of London—of endeavouring also, by every means in their power, to expose the supporters of those delinquents, wherever they were to be found, without the slightest regard to their possessing influence or position; and this might have been most effectually accomplished by taking the admirable and searching

“Report” of Messrs Quilter and Ball as the basis of the extended inquiry, and then fearlessly following up the indications afforded by that document.

Where the knowledge of a crime is suppressed, a motive for that suppression must of necessity exist: the world is not so indifferent to public wrong as to conceal it *en pure perte*. It was within the knowledge of Messrs Overend, Gurney, and Co. that Cole, Davidson, and Gordon were guilty of acts of the most fraudulent nature. But this information they entirely concealed until their acquaintance with it was elicited from them eighteen months afterwards in a court of justice (in the first instance at the Court of Bankruptcy, and subsequently at the Police and Central Criminal Courts); and it is not unreasonable to suppose—indeed, everything warrants the supposition—that no revelation would ever have been made by them had they only been left to the promptings of their own consciences. The motive, then, for their concealment is to be sought, and we discover it wrapped up in their personal interest. This is no conjecture, but a specific fact, and for its demonstration the reader has only to turn to Messrs Quilter and Ball’s Report,\* where the profits which Messrs Overend, Gurney, and Co. derived from the continuation of their dealings with Cole subsequently to the 5th October, 1853, are shown as clearly as figures can set them forth. The advantages which they derived from discounting bills

---

\* Appendix B.

for Davidson and Gordon under the same circumstances have been made equally apparent in the last chapter.

It was towards the close of last June that the City Solicitor was instructed to prosecute, and in his address to Sir Peter Laurie, at Guildhall, on the 10th July; explanatory of the course he intended to pursue, he said it was his intention to proceed upon the whole of the warrants of Overend, Gurney, and Co., and to apply as overt acts several others which he specified; making it appear by this intimation that the prosecution would be, in all respects, a *bonâ fide* one. The City Solicitor moreover said, in the course of the examinations which he conducted (this was on the 14th July)—“I must wait for the Report of Messrs Quilter and Ball, *which may involve other parties besides those at the Bar.*” For this Report, however, the City Solicitor did *not* wait, but on the 30th July announced that his case was complete, and Cole, Davidson, and Gordon were, as we have already seen, committed.

The several trials on the charges which implicated Davidson and Gordon only were brought to a close on the 21st December, and the City prosecution was still untouched. If the case against the three prisoners was, in the estimation of the City Solicitor, “complete” at the end of July, it could scarcely have been less so at the end of December, when, in addition to all the evidence which he possessed before, the Report of Messrs Quilter and Ball, which is dated November 21st, was put into his hands. But, in the interim, the City

Solicitor had been harassed by doubts, beset by misgivings, troubled by scruples ; nothing seemed clear in the case ; he was groping his way in a fog ; the more information he obtained, the more he appeared to be misled. As to being able to discover anybody else who had gone wrong, besides the three convicted criminals, it was altogether beyond his capacity. He made one discovery, however, and a most notable one : he, as the delegated prosecutor, was not bound to get up evidence to prove additional complicity ; *that* duty devolved upon others. Furnish him, he said, with proofs that other parties were really involved in the swindling transactions of Cole, Davidson, and Gordon, and then wouldn't he prosecute ! Only let somebody else bell the cat, and he would do the rest ! Really, the City Solicitor's zeal had no parallel save in the excess of his caution. That we are speaking "by the card," let the following correspondence testify :—

London, December 22nd, 1855.

Dear Sir,

In the Criminal Court, last Thursday, you intimated to me that Messrs Quilter, Ball, and Co. had refused to give you any information relative to the transactions that had taken place between the Bankrupt Cole, and Overend, Gurney, and Co., subsequent to October 5, 1853. In reply I told you that I would at once communicate with Mr Murray, and instruct him, as one of the assignees, to authorise Quilter, Ball, and Co. to give you all the information you desired. En-

closed you have copies of letters sent to you by Quilter, Ball, and Co., and by Quilter and Co., to Mr Murray, and by Mr Murray to me. It is quite clear that Quilter and Co. are willing to comply with your request, and it remains to be seen if you are desirous to avail yourself of it. All the papers that I have so far placed before you have been considered useless. I must beg to differ with you in this respect, and maintain that the documents put into your hands by me are of the greatest importance in your conducting the prosecution for the City, and ought to be placed before the counsel. Mr Stovell has volunteered his assistance in addition, and I may add, without any breach of confidence, that Mr George, of Messrs Linklater and Co., is in possession of a great deal of important information, which remains at your service if you wish to take any advantage of it. The conduct of the City prosecutor is looked forward to with the greatest anxiety. You have materials now at your disposal to place before the public a case without precedent, fraud premeditated, and carried out to an extent almost fabulous, and continued after the first disclosure under the assistance of what most people would term superhuman aid. I must entreat of you to give this case your serious consideration: no one doubts your ability,—let no one doubt your inclination, to act without fear or favour. Under such favourable auspices I do hope that the result may be alike creditable to the Corporation as to yourself, their official. To the commercial community it is a

matter of the most vital importance that a stop should be put to such infamous proceedings. I must have it clearly understood that I entertain no malignant feelings to any of the unfortunate men at present implicated, although I have been grossly swindled by Cole: I trust I may claim credit for a purer motive than mere petty revenge, which can avail me nothing.

The following are the papers referred to:—

Banker's Pass Book and Cheque for 7,000*l.*, and two Warrants received from Cole, part of thirteen, 30th July, 1853. Two Warrants part of twenty-six received from Cole, 26th July, 1853, and Cheque for 10,000*l.*

Fourteen Warrants for the purpose of being exhibited in Court.

Note from Cole, handed to Mr Laing by Digby.

List of Warrants taken by S. Goodburn to Maltby.

Four Copies of Letters written to Cole and Maltby, and Memorandum respecting Graham's evidence of Cole paying for lease, and rent of Hagen's Wharf.

Counsel's brief at Cole's trial.

Plan of the Wharf.

Landing account of Goods removed from the Wharf.

Account Sales and Nett proceeds.

Copies of Letters of Overend, to Cole and Sargant, relative to a transfer of Cochineal and Coffee.

Letter from Davidson and Gordon, to Overend and Co., relative to a transfer of 1,600*l.*\*

---

\* The actual amount of this transfer was not known at the time: it turned out to be 1,560*l.* 6*s.* 7*d.*

## Quilter's Letter to S. Laing.

Quilter's Statement of transactions between Overend and Cole, subsequent to October, 1853. (In addition to Quilter's letter, they can give details of the sale and purchase of 400 tons of Spelter in October, 1853, and of a transaction between Short and Co., Cole, and Overend, in February, 1854, deeply implicating the latter parties.)

I am, dear Sir,

Yours very truly,

SETON LAING.

C. Pearson, Esq., City Solicitor, &c., &c.

The following are the enclosures referred to :—

Re COLE.

London Street, December 21st, 1855.

Dear Sir,

On the other side, I send you copy of a letter received this morning from Messrs Quilter, Ball, and Co., in reply to mine of yesterday, with copy of their letter to Mr Pearson of the 17th instant, and

I remain, dear Sir,

Yours truly,

WILLIAM MURRAY.

Seton Laing, Esq., Mincing Lane.

Re COLE.

57 Coleman Street, 21st December, 1855, 9.45 A.M.

Dear Sir,

Your note dated quarter-past five yesterday has just been read by us. That Mr Pearson has either

not read the letter we wrote to him on this subject after our last interview with you, or has misapprehended and so misrepresented its purport, or that the assignee who communicated with you had not correctly apprehended or reported Mr Pearson, will we think be clear to you on a perusal of the letter to Mr Pearson, of which we enclose you a copy.

We remain, dear Sir,

Yours faithfully,

QUILTER, BALL, and Co.

William Murray, Esq.

57 Coleman Street, 17th December, 1853.

Dear Sir,

With reference to the matter relative to which you called upon us on Saturday, having seen Mr Murray upon it, we beg to say, that if you will let us know the particulars of any information you may require we will do our best to supply you with it, but that we do not feel at liberty to furnish you with a copy of the Report made by us, without the sanction of the assignees.

We remain, dear Sir,

Yours faithfully,

QUILTER, BALL, and Co.

Charles Pearson, Esq., City Solicitor.

To Mr Laing's letter and its enclosures the City Solicitor replied as follows :

Guildhall, Dec. 28, 1855.

Dear Sir,

Slight indisposition and great need of a little rest *has* prevented my coming to the office till this morning, where I find your letter with its enclosures. When I saw you on Friday in the Central Criminal Court, I told you I required to lay before counsel, on the next day, Messrs Quilter and Ball's Report to Mr Murray. I at the same time told you I had seen Mr Ball, who had received instructions from Mr Murray to afford me any information in his power, but *not to give me a copy* of the Report (which was quite confidential) without the sanction of the assignees. You promised immediately to see Mr Murray and give the required sanction. I presume you did so, for on the following day I obtained a copy of the Report from Mr Ball, in time for the consultation on Saturday last, when it was read and very fully considered. You are mistaken in supposing that I intimated that Messrs Quilter and Ball had declined to give me any information. I said to you then, as I have before stated, that if any important facts had come to light since the meetings we had at Mr Murray's and at Messrs Quilter and Ball's offices, I would rather receive it direct from them, or Mr Murray, than through yourself, for two reasons—first, because Mr Murray's legal knowledge, and Messrs Quilter and Ball's familiarity with such subjects, would qualify them to separate important from unim-

portant facts better than yourself, who have had only your own experience in such matters to guide you, and who, smarting under the sense of personal injury, are less likely to regard them calmly and dispassionately than men who are only professionally engaged in considering them. I take pride in feeling that I use great frankness and candour in my communications to all parties with whom I am engaged, and I think I have expressed the foregoing sentiments orally, as well as in writing, not only to yourself, but to the other gentlemen named. I am quite sure I never complained of Messrs Quilter and Ball, as withholding facts from me. I am happy to acquire information from any person and by any means, but I do not consider myself at liberty to rely upon any statement I hear, unless I am furnished with the means of testing its accuracy, and (finding it accurate) I deem it my duty to obtain the assistance of eminent counsel to weigh carefully both its relevancy and effect upon the cases committed to my charge; it will be in their discretion to use it, or lay it aside, as their sense of professional duty may determine. In their opinion the case is beset with great difficulties, and in this opinion I entirely concur. It is amongst the greatest of these difficulties that, for the means of bringing guilt home to the defendants, we are principally indebted to the evidence of Mr Chapman,\* whose conduct in con-

---

\* So freely and so accurately given! Why Mr Chapman withheld such important information at Cole's trial is best known to himself, or remains to be explained.

cealing the frauds practised upon him, after they had been discovered, is calculated to shake his credit. A similar observation, to some extent, applies to your own evidence ; for, although it was your proceedings against Cole that brought these frauds to light, your evidence at his trial, upon which you are open to cross-examination to affect your credit, shows that, after you had discovered the fraudulent character of the warrants, you were pressing him for other securities. You misapprehend any observations I have made if you think I impute to you any *malignant* feelings against the defendants, in promoting these prosecutions. I applaud the spirit, and admire the zeal and perseverance you manifest, in following up men who have injured you. If Mr Chapman had not committed a great moral offence, Cole would have been broken up before he became your debtor, and you would thus have saved your money. If by the fear of public exposure Mr Chapman can be induced to do you justice, and return your losses (which you have never hesitated to avow as one of the objects of your proceedings), no man can properly set that down to the score of malignant feelings. If Messrs Overend, Gurney, and Co. have employed their wealth, character, and position to build up the credit of Cole, Davidson, and Gordon, after they knew of these frauds, and if by acting upon the feeling which wealth, character, and position call into play, you, and the other creditors of the bankrupt, can get recouped your losses, no man can justly blame you ; but I must take care that I do not

permit my functions as a public prosecutor to be directed by you for the purpose of effecting your private objects, however justifiable or laudable they may be. I hold it to be my duty to employ all the evidence I possess or can acquire, to prove the cases comprehended in the two indictments now before the Court. If the assignees of either of the Bankrupts can now furnish me with *evidence* to implicate Mr Chapman, or any other person, in the frauds with which the present defendants stand charged, I should consider that my instructions from the Court of Aldermen are sufficiently large to warrant me in taking such measures as counsel may recommend to dispose of these indictments, in order that others of a more comprehensive character may be preferred. No time is to be lost, if any change in our course of proceedings is to be made, as the Sessions will commence on the 7th of January. I still think it will be more useful and more proper for me to be furnished with any additional information bearing upon the question through the solicitors, but I shall not decline to accept it from any other quarter.

I am, dear Sir,  
Yours truly,  
CHARLES PEARSON,  
City Solicitor.

Seton Laing, Esq.

Mr Laing replied to this elaborate epistle in the following terms :—

London, 31st December, 1855.

Dear Sir,

I beg to acknowledge receipt of your favour of the 28th inst., in reply to mine of 22nd. I have no desire whatever to enter into any legal controversy with you, from the fact that I am supposed to be ignorant of such matters. In the conduct of the City prosecutions you, as well as myself, ought to have only one object in view, justice fully and fearlessly administered. That you intimated to me your inability to obtain information from Quilter, Ball, and Co., relative to Overend and Co.'s transactions with Cole, I entertain not the slightest doubt; the result speaks for itself—you have had their Report, a document of great ability and value. I do not mean to notice the accusations you have made against me, beyond giving them a positive and flat denial. My grand object has been not to obtain back the property of which I have been defrauded, but rather to protect the public against similar frauds, and openly to denounce a gang of swindlers, the moment I had sufficient proof to act upon. I can lay claim to a far purer motive than the paltry consideration of a few thousands of pounds. By remaining "passive," and acting in a similarly dishonourable manner to Chapman, I could have pocketed 1,500*l.*, offered to me by Cole's attorney, and saved 800*l.* legal expenses—sums far above any dividend likely to arise from the Bankrupt's estate. I have used, and shall continue to use, ALL legitimate means at my disposal, either for the purpose of the recovery of my property, or of instituting criminal

proceedings against other parties implicated, in the event of your failing to do so, at the same time reserving to myself the right of making free use of your last communication to me. The fact of Overend and Co. not having denounced Cole, and Davidson and Gordon, in October, 1853, when the fraud was first discovered, has enabled them\* to plunder the public, and so arrange and concoct their future plans as to place the laws of their country at defiance. However great the influence of Overend and Co., they will find to their ultimate cost that such transactions cannot be allowed to pass with impunity.

I am, dear Sir,

Yours truly,

SETON LAING.

C. Pearson, Esq., City Solicitor.

In the City Solicitor's answer to the foregoing, dated January 5, 1856, he alleges, as the reason for his continued inaction, that he cannot obtain "direct evidence" of Mr Chapman being a party to the proceedings of Cole to get out of the hands of *bonâ fide* creditors good warrants, for the purpose of placing them in the hands of Overend, Gurney, and Co., in reduction of their claim, and with a keen sense of his official duties, informs Mr Laing that if he can give him any clue to facts in proof of Mr Chapman's complicity in these transactions, he will "without delay lay them before

---

\* Meaning Cole, Davidson, and Gordon.

counsel," so that he may "report upon the whole matter to the magistrates at their next meeting. But," he adds in conclusion, "I certainly cannot consent to remain in the uncertain state in which you have left me."

The correspondence closes with the following letter, in which Mr Laing expresses the opinion that it is no part of his duty to usurp the legitimate functions of the City Solicitor. He says:

"London, January 7, 1856.

" Dear Sir,

" I have to own receipt of your letter of the 5th instant. My communications to you have been sufficiently explicit; you are at liberty, of course, to draw your own conclusions from them. I claim credit for having placed at your disposal most important facts directly bearing on the City case, which have not been received in that courteous way I expected; I do not, therefore, intend again to subject myself to your censure. When the proper time arrives, I shall be prepared to vindicate the course I have taken. I am not the prosecutor; it is, therefore, no part of my duty to get up evidence. What can be more simple than tracing the securities, warrants, &c., that have been placed in Overend, Gurney, and Co.'s hands, by the three Bankrupts, subsequent to October, 1853, upon which they have pocketed so large a sum? Surely, this is your duty; it cannot be mine. I fear the City

prosecution has not had that attention and assiduity which the importance of the case demands, and which the public have an undoubted right to expect; from first to last there has been by far too much apathy and indifference, and a thorough absence of free and independent action somewhere: with such conflicting elements I see no prospect of a fair or even satisfactory result. In August, last year, you told me the case was complete, under the immediate charge of Mr Ryland; now I am told it is beset with the greatest difficulties—how is this? Surely the astounding facts that have subsequently been developed cannot be the cause. Great difficulties have, and can only be overcome at the sacrifice of great personal interest, coupled with bold and independent action.

“I am, dear Sir,

“Yours very truly,

“SETON LAING.

“C. Pearson, Esq., City Solicitor.”

At this point the prosecution of Cole, Davidson, and Gordon, for conspiracy remained in abeyance. With Messrs Quilter and Ball's Report before his eyes, the City Solicitor could read in it nothing to the disadvantage of Messrs Overend, Gurney, and Co.; or, reading it, his official zeal evaporated, like the courage of Bob Acres, at the tips of his fingers. In his letter of the 28th December, 1855, he had recorded strong opinions

against Mr Chapman, but with that explosion of virtuous indignation he appears to have been content. "Hard words," as the proverb says, "break no bones:" it was one thing to express an abstract sentiment, and another to have recourse to legal proceedings. The City Solicitor preferred the former. The same deadening influence extended apparently to the worshipful Court of Aldermen, who—less earnest than Sir Peter Laurie in "protecting honest people against dishonest people," and held in greater awe than he by the *prestige* of wealth—came to the comfortable conclusion that enough had been done in the matter, the ends of justice had been satisfied, and it was now unnecessary to proceed with the last indictment—that indictment which proposed to lay bare the secret springs that had kept the conspirators in motion, to the detriment of the commercial world, for a period of nearly nine months!

The direct avenues to justice being closed, the only course that remained for Mr Laing, in his desire to protect his firm and the public, was to publish Messrs Quilter and Ball's Report, and combine with it a full narrative of the whole of the proceedings of Cole, Davidson, and Gordon, and their abettors. That this duty should have devolved upon him he deeply regrets, but there was no help for it: the vicarious office was forced upon him by the unwillingness to do their duty of the City authorities, and their conscientious servant

the City Solicitor. Happily the day is not far distant, when the Citizens of London will not only witness the extinction of many useless antiquated customs, but will reap the benefit of having City matters conducted in a spirit more in unison with that of the present time.

In carrying out a criminal prosecution of such vast magnitude and importance as that which was demanded by the frauds of Joseph Windle Cole, in which so many conflicting interests were necessarily involved, the responsibility, care, and anxiety which weigh upon the person who undertakes it—to say nothing of the pecuniary sacrifices that must be made—far exceed anything that can well be imagined by those to whom the proceedings in the Old Bailey Court are, happily, a mystery; and, amongst the difficulties with which the private prosecutor has to contend, not the least is that which he meets in the very outset, arising from the mistaken delicacy of many who, though in possession of proofs amply sufficient to ensure conviction, refrain from coming forward in consequence of the repugnance they feel to make their appearance in court. Hence it is that great criminals frequently escape the exposure and punishment which are justly their due; a temporary respite from the fraudulent practices by which the mercantile community suffers is all that it obtains; and it follows, almost as a matter of course, that the same parties renew their iniquitous career, with only this difference in their mode of conducting it, that they

select as their victims those to whom their former courses are unknown. The license to which a fancied impunity gives birth inflicts in this way the most serious injury on commerce. Confidence—the real basis of all commercial transactions—is deeply shaken; and an encouragement is virtually held out to the perpetration of crime.

These dangerous issues might, however, be prevented, if the example which has been set by the London bankers were followed by other trading classes. Amongst that body an Association exists solely for the purpose of prosecuting offenders, without regard to their social or commercial position, an attorney being specially appointed to act in all cases. If a similar association were formed by the merchants, bill and colonial brokers, immense advantages must ensue. It would make the reckless speculator pause, and the fraudulent dealer restrict his operations, and would act as a most efficient check upon that looseness of principle which only regards business with an eye to personal profit.

The numerous cases of fraud that have come before the public within the last two years—in which opulent bankers, widely-dealing merchants, and trusted men of high station have so conspicuously figured—may all be traced to the same source: an unscrupulous resolve to carry speculation to its utmost limits, unrestrained by any consideration for its effect upon public credit or private fortune. The inevitable consequence has been

a fearful category of crime and a vast amount of suffering, much of which might have been lessened had the men who were the authors of these evils been under the apprehension that retribution awaited them at the hands of a public prosecutor.

Since it became known that the great City frauds were about to be made public, numerous complaints have reached us from highly respectable persons, who have all suffered more or less by their dealings with Davidson and Gordon, and Cole, subsequently to October, 1853.

Messrs Goll and Co., a highly-respectable firm at Amsterdam, sent by order of Cole, Brothers, 1,600 slabs of Tin, of the value of 6,000*l.*, by steamer to Liverpool, only a fortnight before the Bankrupts failed. At the same time they handed Cole, Brothers, the bill of lading, and drew a bill upon them for the amount at fourteen days' date. The very day the bill became due Cole stopped payment; the bill of lading had in the meantime been handed over to Messrs Fielding, Brothers, of Liverpool. Messrs Goll and Co. were thus grossly swindled out of the whole amount.

One sugar-broker in a large way of business has stated that the first and only transaction his firm ever had with Davidson and Gordon took place early in 1854. The partners were induced to purchase about 350 tons of Manilla Sugar to arrive, from the fact being well known in Mincing Lane that the Bankrupts had the greatest facility in Lombard Street. Part of the Sugar arrived

shortly afterwards, and was regularly paid for ; the remainder came to hand early in July, after the Bankrupts had absconded. The Sugar was sold, and the selling brokers became responsible for the payment ; the result was, the brokers were out of pocket about 800*l.* Another brokers' firm, which ranks for a large sum upon the two estates, and suffered more than any other, has stated that Gordon not unfrequently exhibited Overend and Co.'s cheques, stating that he had just been discounting paper. This was done to show what he could do, *and most probably what better firms would have been denied*, thus deluding his victims by sustaining a false position. The very day Gordon absconded, he borrowed from the suffering firm last adverted to, a cheque for 700*l.*, which was of course never returned.

A Manchester house which suffered severely from transactions with Cole, and Davidson and Gordon, during 1854, and was mainly instrumental in capturing the two latter, asserts that manufactured goods were actually delivered to the Bankrupts only a fortnight before they failed. Numerous other cases of even greater hardship could be detailed, but one and all ending with the same lamentable fact, that—as the Solicitor for the City has stated in his letter to Mr Laing—“had Cole been broken up in October, 1853, by Overend, Gurney, and Co., when they discovered the fraud,” all the sacrifices which have been detailed in this work would have been avoided. It may not be altogether out of place to mention the actual nominal amount of

spurious warrants, which are known to have been put into circulation by the three Bankrupts, at the date of the failures :—

Cole, Brothers	-	-	-	£367,800
Davidson and Gordon	-	-	-	150,800
Making a total of about	-	-	-	£518,600

## APPENDIX "A."

*EXTRAORDINARY CASE—ALLEGED FORGERY.*

Extracted from the 'Morning Advertiser,' Thursday, July 6th, 1854.

COURT OF QUEEN'S BENCH, JULY 5th.

(Sittings at nisi prius, &c.)

DANIEL AND OTHERS *v.* PARIS AND CO.

THIS was an action on a Bill of Exchange for 496*l.* 16*s.* 8*d.* drawn by Messrs DAVIDSON and GORDON, Spirit and Colonial Brokers, and purporting to have been accepted by the defendant PARIS, of the firm of Paris and Co., Rectifying Distillers, of Back Lane, Church Row, St George's in the East. The defendant Paris pleaded that he was not liable, and that he had never accepted the Bill. Mr Hawkins appeared as counsel for the plaintiffs; Mr Bovill and Mr Archball, Jun., represented the defendants.

Mr HAWKINS stated the case, from which it appeared that the plaintiffs took the Bill on the faith of Davidson and Gordon, Spirit Brokers, then residing at West Ham. The defendants denied that they had accepted the Bill, but he would prove it to be in the handwriting of Paris, who kept an account at Masterman and Co.'s, Bankers. Mr Bovill imputed that the Bill was a forgery; and with reluctance named certain parties in the course of the action as guilty of the forgery. Mr Hawkins, in support of his case, called

Mr JOHN GEFFARD ERCKE, who deposed that he is clerk in Masterman and Co.'s Bank, and that the defendants kept an account there for about three years. Looking at the acceptance now put into his hand, he believed it to be in the handwriting of Paris, and he would have paid the cheque when presented, had there been funds of the firm of Paris and Co. in the bank. Cross-examined by Mr Bovill.—He could not say that he would know Richard Paris, with whom he had never had conversation, or that he had ever seen him write, but he might have seen him once at the banking-house when he had come to lodge his signature on opening the account.

Mr WEBB, distiller at West Ham, deposed that he knew the house of Paris and Co., Back Lane, St George's in the East; that he had sup-

plied spirits to Richard Paris and Co., on the orders of Davidson and Gordon, his Spirit Brokers; that he had received their acceptances in return, through Davidson and Gordon, in payment of the spirits, but the acceptances were in the form of the one which was the subject of this action; and that they had been paid at Masterman's.—Mr Sedgewick proved the service of the writ at the house of Paris and Co., with whose clerk he left it.—Mr Thomas Barnett Sparks deposed that he had presented the Bill for payment at Masterman's, where it was dishonoured, and that he then went to the house of Paris and Co., whose clerk informed him that Paris was out of town. He then informed the clerk that a Bill for 496*l.* 16*s.* 8*d.* accepted by the firm was due, and that it was dishonoured at Masterman's; and the clerk said it should be attended to.

Mr BOVILL submitted that there was no proof that the handwriting in the acceptance was that of the defendants, and that it would be most dangerous, upon such evidence as had been adduced, if men were to be fixed with liability; there was merely a *prima facie* case, and he did not hesitate to say that he could make a charge of forgery against some party, but he was disinclined in the discharge of his duty to mention names. It was not because some party had gone and opened an account at Masterman and Co.'s in the name of his client, Paris, that he was to be held liable for an acceptance which was not in his handwriting, and of which, until this action was brought, he knew nothing. He would call the defendant.

RICHARD PARIS, the defendant, was then examined. He described himself as a mechanical engineer, and as having about three years ago *lent his name to Mr De Russett* under which to carry on the business of the distillery, receiving from De Russett two guineas a week for the use of his name alone. De Russett was then carrying on the business of a merchant in Birch Lane. He (Paris) had no personal interest in the business beyond the two guineas a week which he received for the use of his name. He had never opened an account in the name of Paris and Co. at Masterman's. The Bill now put into his hand was not his acceptance, and he had never authorised any one to draw a bill on him.—The witness, who in cross-examination by Mr Hawkins deposed that he is now carrying on the works of a *Cork-cutting invention* of his for *De Russett*, at 12 Wharf Road, City Road, seemed here to lose his memory, and all power of maintaining himself. He staggered in the witness-box, reeled and fell, striking his head with alarming force against the floor of the court. The event produced a deep sensation in the Court, and he was ordered by Lord Campbell to be put aside.

Mr GEORGE HARRIS DE RUSSETT was then examined by Mr Bovill. He corroborated the employment of Paris in the manner described, and said that the distillery business was for his (De Russett's) sole interest, although his name did not appear in the Company. He (De Russett) had never opened an account at Masterman's in his own name, and he had never authorised any other person to do so. He had never accepted any bills in the name of Richard Paris and Co. The Bill now put into his hand he had no knowledge of, and he did not at the time it was drawn owe a debt of 496*l.* 16*s.* 8*d.* Cross-examined by Mr Hawkins.—He had carried on various descriptions of business

before he became a spirit rectifier, and had been a general merchant at Calcutta, and other parts of India, whence he returned to this country possessed of a large fortune. He had known Paris for not less than eight years, and had frequently employed him to work for him as an engineer, particularly in the manufacture of machinery for dissolving views, with a dioramic effect, for India. He (De Russett) was a private gentleman, had kept a large establishment, with cook, housemaid, butler, coachman, groom, &c. He had also kept a carriage, gig, and three horses, and looking upon himself *as a private gentleman he considered it would not be respectable in him to allow his name to be put up over the distillery.* (Laughter.) He now carries on the business of a general merchant in Birch Lane. He did not know that he had ever seen the witness Sparks, and believed he had never seen that person before this day.—Sparks was here recalled, and expressed his belief that De Russett was the party he had seen at Back Lane, when he called to say the bill was due at Masterman's.

Lord CAMPBELL.—Let these two witnesses, Paris and De Russett, remain in court, and do not suffer them to depart. *This is a very grave case.* Cross-examination resumed by Mr Hawkins.—*Were you not a barber in India?* (Laughter.) De Russett (with surprise and earnestness).—*Never, oh dear no.* Mr Hawkins.—What, were you not a barber to the King of Oude? De Russett.—*Oh dear no.* Re-examined by Mr Bovill.—He did not owe a farthing for anything supplied to the distillery, and had within the last few days paid upwards of 2,000*l.* for other liabilities. *Davidson and Gordon, by whom the Bill was drawn, had he believed become bankrupts; at least their names were in the Gazette.*

Mr WILLIAM JONES, clerk to Mr De Russett, examined.—Deposed that he was acquainted with that person's handwriting, and also with that of Paris, and the acceptance now handed to him was not in the handwriting of either of them. He had seen Mr Sparks when he called at Paris and Co.'s respecting the bill.—Mr Sparks here rose and acknowledged that the witness was correct, and that he (Mr Sparks) was incorrect when he stated his belief it was Mr De Russett he had seen.

Lord CAMPBELL.—The case is a very grave one.

Mr BOVILL.—My Lord says that the case is a very grave one, and I now make a charge of forgery against—(*The learned counsel here mentioned the names of two parties which we don't think necessary to publish.*)

Mr HAWKINS, in reply, commented on the evidence, and in conclusion said, he did not hesitate to say that Paris and De Russett were accomplices in what he could not but stigmatise as a gross conspiracy.

Lord CAMPBELL, in summing up the evidence, said—It is for you, gentlemen of the jury, to say whether the defendant Paris had authorised the acceptance; whether he wrote it or not, if he authorised it he is liable. Now it is quite clear that he authorised De Russett to use his name, under which to carry on the business, and it is for you to say what credit you give to the evidence of these two parties. I must say, for my part, they seem to me to have degraded themselves; the compact for two guineas by which the defendant Paris allowed his name to

be used, he having no interest in the distillery, was extremely improper; and the history which Richard Paris has given of himself I should think will not weigh with you to place credit in his evidence. They stated that they did not authorise any account to be opened in the name of Richard Paris at Masterman's three years ago, but although during that time they must have had various transactions, yet they have not had any other bankers; and we have the facts of *De Russett ordering goods for the distillery*, and of their having been paid for by *drafts on Masterman and Co.* There is this fact which is worthy of your attention. That on the day on which the Bill became due, Mr Sparks went to the distillery after the Bill had been dishonoured at the bankers'; and I do not find that the clerk of the defendant denies what Sparks stated took place. Under these circumstances it is for you, on the evidence, to say whether you believe that they did not authorise the acceptance; your verdict will be for the defendants; but if you believe otherwise, then your verdict will be for the plaintiffs.

The jury without hesitation returned a verdict for the plaintiffs, although the foreman said he felt very much pained by the evidence.

Lord CAMPBELL.—It is quite alarming that such things should be carried on in the City of London.—Mr Hawkins asked for immediate execution. Lord Campbell.—Certainly. The defendants may now leave the Court.—Mr De Russett here protested his innocence, and was in the act of again denying all knowledge of the transaction, when he was interrupted by Lord Campbell, who said—" You had better hold your tongue, Sir, you are in great good luck having escaped being sent to prison."

---

Although Maltby's name is not introduced above, it may help to throw some light on the coalition subsisting between Paris, De Russett, and the rest, to state that Maltby was the person who accepted most of the bills of "Paris and Co.," in addition to his occupation as Cole's agent at Hagen's wharf.

In reference to the preceding trial, it appears to be an undoubted fact that the firm of "Paris and Co." was created about 1851, by Cole, Davidson, Gordon, and afterwards joined by De Russett, for the sole purpose of carrying out a double system of fraud, by discounting fictitious paper, and at the same time passing fictitious metal warrants. The firm of Paris and Co. was established about 1851, the ostensible partners being as stated above; and an account was opened at Messrs Masterman and Co.'s. It almost passes belief to think that such a nest of swindlers could have managed to delude the public for so long a period, and to have had standing and influence to put into circulation so large an amount of fictitious documents. From what we have been able to ascertain, it seems that the amount of cash that passed through the hands of Messrs Masterman and Co., their Bankers, from the time of their first acting in concert, till the final smash in June and July, 1854, exceeded 160,000*l.*

The following extract from a statement of inquiries made by Messrs Quilter and Ball, accountants employed by the assignees to Cole's estate, to inquire into the nature and extent of that bankrupt's transactions, further indicates the complicity which existed between himself and the parties who figure in the trial of "Daniel and others *v.* Paris and Co.," Davidson and Gordon being adjuncts to the whole of the extensive system of Cole's widely-extended frauds. Messrs Quilter and Ball observe:

"The cash transactions of the bankrupt (Cole) have also been the subject of minute investigation, in the course of which we have ascertained that, in addition to his ostensible and regular account with Messrs Glyn and Co., he kept two banking accounts in the names, respectively, of 'De Russett,' with Messrs Prescott and Co., and 'Paris and Co.,' with Messrs Masterman and Co., tracing the transfers to and from, and the payments in and out of those several accounts, with a view to ascertain the disposal of the large sums of money passing through the hands of the bankrupt: with this result, that in so far as the monies were passed through the account with Messrs Glyn and Co., they are accounted for; but not so as respects many of the two subsidiary bankers' accounts. A thorough and com-

plete investigation of all the cash transactions cannot be effected without reference to the books of Messrs Davidson and Gordon, between whom and the bankrupts a most intimate connection subsisted, and whose mutual transactions were on a very extensive scale : access on our part to the books of Davidson and Gordon has not been accorded by the assignees of their estate."

A specimen of the peculiar nature of the transactions between all the parties above-mentioned appears in the annexed item of one day's proceedings, in relation to the alternate transfer of the same sum of money four times over, to the separate accounts of each :

" On the 28th of January, 1854, Cole received from Davidson and Gordon the sum of 1,200*l.*, which he paid into the account with ' De Russett,' at Prescott's. *On the same day* he drew the like amount from that account, and paid it into the account with ' Paris and Co.,' at Masterman's, *also on the same day*. Again, *on the same day*, a cheque for 1,216*l.* 5*s.* 6*d.* was drawn from the account of ' Paris and Co.,' and that amount paid into the account of ' Cole, Brothers,' at Glyn's. Again, *still on the same day*, the sum of 1,200*l.* was drawn out of the account of ' Cole, Brothers,' and repaid to Davidson and Gordon, at Barnett, Hoare, and Co.'s."

“B.”

*Statement of Discounts made by Messrs Overend, Gurney, and Co., to Cole, Brothers, in 1854, and Loans to ditto subsequent to October 13, 1853.*

57 Coleman street, 20th August, 1855.

Dear Sir,—We have received your note of the 17th inst., and in reply we beg to inform you, that the Bills discounted by Messrs Overend, Gurney, and Co., in 1854, amount to 20,120*l.* The accounts we have will not enable us to state the amount discounted between October, 1853, and 1st January, 1854. The amount of Loans made by them to Messrs Cole, Brothers, since 13th October, 1853, appear to have been by their account 76,250*l.* 3*s.* 8*d.*

We remain, dear Sir,

Yours truly,

QUILTER, BALL, and Co.

To S. LAING, Esq.

*Quilter and Ball's Report in Account with  
Overend, Gurney, and Co., Nov. 21, 1855.*

---

*Re JOSEPH WINDLE COLE, a Bankrupt.*

---

*To WILLIAM MURRAY, Esq.,  
Solicitor to the Assignees of J. W. COLE.*

57 COLEMAN STREET,  
21st November, 1855.

SIR,

In accordance with the wish of the assignees, we proceed to submit to you the result of the examination we have been making into the accounts filed by the bankrupts, so far as it has applied to the dealings and transactions between him and Messrs Overend, Gurney, and Co., to which matter the present report is confined. We do not propose to describe in detail the process of our investigation, but simply to state the conclusions to which it has led us, accompanied by such explanations as may appear necessary, pre-mising, however, that the period over which our examination has extended is that comprised between the 18th of October, 1851, and the termination of the account on the 31st December, 1854, embracing transactions by way of cash advances to the bankrupt and repayments thereof, to the total amount of 680,000*l.* or thereabouts.

It will be useful to bear in mind the following dates as representing epochs in the Bankrupt's affairs:—

1853.

13th October—About this date the disclosure was made by the bankrupts to Messrs Overend, Gurney, and Co., of the fictitious character of the securities held by them in the

form of warrants purporting to represent Spelter, Tin, Copper, and other description of property at Hagen's wharf.

1854.

27th June—Cole stopped payment.

1854.

19th August—Cole became bankrupt.

There are no particular transactions requiring special remark of prior date to the 5th of October, 1853, but it will be well to indicate what was the general character and course of the account up to that date, at which point the *sale* of securities by Messrs Overend, Gurney, and Co., on account of the bankrupt, appears to have commenced.

Thus, prior and up to the 5th of October, 1853, it appears that the bankrupt was in the habit of obtaining loans on the deposit of securities, occasionally redeeming portions of such securities by partial repayments of the cash advances; the transactions went on, gradually increasing the cash balance against the bankrupt up to September, 1852, when it reached the sum of 252,240*l.*, from which date it became gradually diminished until the 5th of October, 1853, when it stood at the sum of 195,655*l.* The following list of the monthly balances in favour of Messrs Overend and Co., up to that date, corroborates this statement.

Balance of advances in favour of Messrs Overend, Gurney, and Co., at the close of the several months indicated, thus:—

1851.	£	1852.	£
October -	16,070	April -	153,520
November -	39,490	May -	206,680
December -	86,350	June -	236,980
1852.		July -	234,320
January -	106,050	August -	237,220
February -	114,790	September -	252,240*
March -	128,910		

---

\* The total advances to this date amounted to - - - £266,030  
And the repayments to - - - - - 13,790

---

Total - - - - - £252,240

---

1852.	£	1853.	£
October -	246,990	April -	218,280
November -	246,990	May -	211,380
December -	247,000	June -	216,255
1853.		July -	200,555
January -	243,500	August -	195,655
February -	239,800	September -	195,655
March -	229,580	October (5th) -	195,655

The accounts current, rendered by Messrs Overend, Gurney, and Co., indicate the foregoing balances, as will be seen on reference to the accompanying copy thereof, marked "A."

Against this balance of 195,655*l.*, the securities held by Messrs Overend, Gurney, and Co., both genuine and fictitious, amounted to the nominal sum of 323,230*l.*, or thereabouts, according to the following statement:—

**ABSTRACT of Securities in hands of Messrs Overend, Gurney, and  
Co., 5th October, 1853.**

Description.	Genuine.			Fictitious.		
	Quantity.	Amount.		Quantity.	Nominal amount (about)	
Copper Sheets	23 tons	£	s.	d.		
Copper Tiles -	20 "	4,365	8	1	{ 581 tons sheets & tiles }	79,597 0 0
Tin -	214 "	24,143	4	3		90,675 0 0
Tin Plates -	500 boxes	607	17	6		
Tin Plates -	205 cases	1,125	0	0	9,200 boxes	12,420 0 0
Tin Plates on hand }	50 "	250	0	0		
Spelter -	185 tons	4,021	10	0	2,288 tons	48,048 0 0
Pig Lead -	152 "	3,049	10	7	1,250 "	30,000 0 0
Swedish Iron and Steel }	41 "	732	10	0	231 "	3,927 0 0
Cochineal -	181 bags	5,198	17	10	114 bags	
Iron -		5,119	4	7		4,425 0 0
Rice & Coffee	,, "	5,525	9	1		
					£	269,092 0 0
						54,138 11 11
					Total - -	£ 323,230 11 11

The above figures are deduced from particulars furnished by Messrs Overend, Gurney, and Co.; the amount of the *Genuine* securities being

that realised, excepting in the instance of the item of Tin Plates, 50 cases of which are stated to be "on hand," estimated at 250*l.*, and the amount of the *Fictitious* securities being calculated upon the supposed value of the property in April, 1853, when the loans then outstanding were renewed: the statement may be subject to some immaterial modifications arising from some trifling inexactness in respect of quantities, but it may be regarded as substantially correct; so that had the whole of the securities then held by them been genuine, the balance due to Messrs Overend, Gurney, and Co., on the 5th October, 1853, would have been more than covered, to the extent of the difference between 195,655*l.* and 323,230*l.*, namely, 127,575*l.*

Such was the ostensible position of the account when Messrs Overend, Gurney, and Co. began the realisation of the securities in their hands on the 5th October, which ultimately produced the actual sum of 54,138*l.* 11s. 11d. in reduction of the balance of 195,655*l.*, leaving them Creditors (ex Interest from the previous 30th June), in the sum 141,516*l.* 8s. 1d., and such would have been the *final* state of the account had the transaction which occurred subsequently to the 5th October, 1853, been confined to the sale and realisation of those securities; but such was not the case, as we find, from an entry in the Bankrupt's cheque-book, that on the 18th November, 1853, Messrs Overend, Gurney, and Co. received from him "Davidson and Gordon's "Promissory Note for 120,000*l.* payable on demand, with interest at "5 per cent. per annum, from the 27th October, 1853, as further collateral security for their advances." And we moreover find, that further advances of cash by Messrs Overend, Gurney, and Co., and further deposits of securities by the Bankrupt, amounting in the whole to a very considerable sum, took place subsequently to the 5th October, 1853, with this result:

1stly.—As to the Promissory Note of Davidson and Gordon; the amount thereof was passed to the credit of the Bankrupt, under date 31st December, 1853, but not being paid, such credit becomes nugatory, and the transaction therefore produces no effect on the balance of the account.

2ndly.—As to the other transactions of dates subsequent to the 5th October, the effect of them upon the account is to reduce the balance due by the Bankrupt from the before-mentioned sum of 141,516*l.* 8s. 1d., to 122,433*l.* 14s. 10d.,

the difference between these two sums, viz. 19,082*l.* 13*s.* 3*d.*, representing the extent of the benefit accruing to Messrs Overend, Gurney, and Co., by *the continuation of their dealings with the Bankrupt subsequently to the 5th October, 1853*; subject nevertheless to the amount of interest that would be applicable to the transactions originating after that date, that is from the respective dates of the several advances, to the time when the securities deposited against them were realised.

This statement of results will be rendered more clear on a consideration of the following figures, which are intended to represent in a summary form the facts above described. Thus:

J. W. COLE,	Dr.
To balance of final account rendered by Messrs Overend, Gurney, and Co., after crediting him with the amount of Davidson and Gordon's Promissory Note for 120,000 <i>l.</i> -	£6,530 0 10
To amounts of such Note unpaid - - -	120,000 0 0
	<hr/>
	£126,530 0 10
Subject to the value of 50 Cases of Tinplates on hand, estimated at - - - -	250 0 0
	<hr/>
Balance provable by Messrs Overend and Co., <i>inclusive</i> of the effect on the account of the transactions subsequent to the 5th October, 1853 - - - - -	£126,280 0 10
	<hr/>
To Balance (ex Interest from 30th June) due to Messrs Overend, Gurney, and Co., on 5th October, 1853, after crediting the value of the genuine securities as ascertained by subsequent realisation - - - - -	£141,516 8 1
To Interest on the account from 30th June to 31st December, 1853, as charged by Messrs Overend, Gurney, and Co. - - - -	3,846 6 0
	<hr/>
Carried forward - - -	£145,362 14 1

Balance brought forward due by the Bankrupt, <i>exclusive of the effect of transactions since 5th October, 1853, excepting only to the extent of the Interest applicable to them, comprised in the above sum of 3,846/. 6s. -</i>	£145,362 14 1
To Cash and Spelter provided by Messrs Overend and Co., to assist the Bankrupt to deliver 400 tons of Spelter which had been sold by them on fictitious warrants, previously to their discovery of the spurious quality of those documents - - - -	4,630 3 5
By proceeds of the above 400 tons of Spelter, passed to the credit of the Bankrupt's account by Messrs Overend, Gurney, and Co.	8,331 6 7
Difference - - - -	£3,701 3 2
Cr. 3,701 3 2 Dr. 145,362 14 1	
To amount of advances made subsequently to 5th Oct. 1853 - 71,620 0 0	
By amount realised by securities lodged against the same - 87,001 10 1	
Difference - 15,381 10 1	
Total surplus in respect of securities deposited and realised since 5th October, 1853, in diminution of the balance due by the Bankrupt to Messrs Overend, Gurney, and Co., at that date - - - - -	19,082 13 3
Balance according to the final account rendered by Messrs Overend, Gurney, and Co., as previously stated - - - - -	£126,280 0 10

We now proceed to explain more particularly the character of the transactions, occurring since the 5th October, 1853, as developed by our investigation.

It will be observed that the sum of 19,082*l.* 13s. 3d., is classed under two heads, viz. :

Result of transactions arising out of sale of 400	
tons of Spelter - - - - -	3,701 3 2
Result of sundry other transactions - - - - -	15,381 10 1
	<hr/>
	£19,082 13 3
	<hr/>

*As to the Sale of the 400 Tons of Spelter.*

In the "Spelter account" furnished by Messrs Overend, Gurney, and Co., which purports to set forth the receipts and deliveries of that article by them in account with the Bankrupt, the following items of sale occur to the credit of the latter; it has, however, been stated to us that the warrants purporting to represent this property were used by Messrs Overend, Gurney, and Co., for Davidson and Gordon, on whose accounts the sales were originally effected, but were afterwards adopted by the Bankrupt.

1853.

October 5—By proceeds 200 Tons	- - -	£4,233 8 10
October 11—By     , 100     ,	" - -	2,052 7 3
,     , 100     ,	- - -	2,045 10 6
	<hr/>	<hr/>
400		£8,331 6 7
	<hr/>	<hr/>

After these sales had been effected, and the warrants purporting to represent the property at Hagen's wharf, handed to the broker, Messrs Overend, Gurney, and Co., discovered the fraudulent nature of those documents, and that in fact no Spelter existed to meet them: under these circumstances Messrs Overend, Gurney, and Co., arranged with the Bankrupt, that they would assist in providing him with the means wherewith to procure the Spelter to answer to the warrants, and so to secure delivery being made in accordance with the sale which had been effected.

The following advances were made by Messrs Overend, Gurney, and Co., in pursuance of this arrangement.

1853.

						£	s.	d.
November	1.—	To Cash on 68 Tons Spelter*		-	-	927	3	5
"	4.—	" 50 "	"	-	-	700	0	0
"	19.—	" 20 "	"	-	-	300	0	0
December	5.—	" 80 "	"	-	-	1,200	0	0

1854.

February	4.—	" 50 Tons Spelter,						
		cost	-	-	-	-	£1,225	

*Less.*

Cash paid to Overend, Gurney, and Co.,								
same day by the Bankrupt	-	-	475					

			750	0	0
--	--	--	-----	---	---

February 10.—	To Cash 50 Tons Spelter, cost	£1,228
---------------	-------------------------------	--------

*Less.*

Cash paid to Overend, Gurney, and Co.,								
same day by the Bankrupt	-	-	475					

			753	0	0
--	--	--	-----	---	---

318 Tons		£4,630	3	5
----------	--	--------	---	---

--	--	--	--	--

It would appear therefore from the above data, that the 318 Tons of Spelter were provided towards effecting the delivery of the 400 Tons sold on false warrants, by which delivery, the credit to the Bankrupt's account of the amount of such sale, namely, 8,331*l.* 6*s.* 7*d.*, was established at the expense of an outlay on the part of Messrs Overend, Gurney, and Co., of 4,630*l.* 3*s.* 5*d.*; from what source the remaining

---

\* In reference to this item we find, from the "discount account" between Overend, Gurney, and Co., and the bankrupt, that it was not an actual advance of cash, but the balance of an over-due bill in their hands for 2,500*l.* on Hudson, which balance is stated in the discount account to be "against 68 tons of Spelter given up."

82 Tons of Spelter were procured in order to make up the full quantity of 400 Tons we have not ascertained.

As to transactions since 5th October, 1853, other than those relating to the 400 Tons of Spelter.

These may be classed under the heads of Copper, Tin, Spelter, Coffee, and Cochineal.

*Firstly.—Copper Warrants.*

Securities of this character were deposited between 25th May, and 3rd June, 1854, which realised at various subsequent dates the sum of	- - - - -	£16,085 12 1
The advances made in respect to these securities amounted to	- - - - -	12,850 0 0
Surplus	- - - - -	3,235 12 1

*Secondly.—Tin Warrants.*

Amount realised from warrants deposited on the 14th and 27th May, 1854	- - -	£7,418 4 7
Amount of advances made in respect of such warrants	-	6,040 0 0
Surplus	- - - - -	1,378 4 7

*Thirdly.—Spelter Warrants.*

Amount realised from warrants deposited between October 19th, 1853, and June 6th, 1854	- - - - -	£42,539 16 4
Amount of advances made in respect of such warrants	-	35,730 0 0
Surplus	- - - - -	6,809 16 4
Carried forward	- - - - -	£11,423 13 0

Brought over - - - £11,423 13 0  
*Fourthly.—Cochineal and Coffee.*

Amount realised from warrants transferred to Messrs Overend, and Co., by Sargent, and Co., 28th Feb., 1854	- £20,957 17 1
Amount of advance in respect of such warrants	- 17,000 0 0
<hr/>	<hr/>
Surplus	- 3,957 17 1
<hr/>	<hr/>
Total Surplus under the above heads	- £15,381 10 1
<hr/>	<hr/>

The accompanying Statement, marked "B," sets forth, in detail, the particulars of the foregoing transactions as classed under the respective heads of Copper, Tin, Spelter, Cochineal, and Coffee.

The following is a summary, in a tabular form, of the entire transactions originating since 5th October, 1853:—

Description of Goods.	Amount of Advances.	Amount realised.	Surplus operating in reduction of Balance due by the Bankrupt to Overend and Co.
Spelter (400 tons)	- £ 4,630 3 5	- £ 8,331 6 7	- £ 3,701 3 2
Copper	- 12,850 0 0	- 16,085 12 1	- 3,235 12 1
Tin	- 6,040 0 0	- 7,418 4 7	- 1,378 4 7
Spelter	- 35,730 0 0	- 42,539 16 4	- 6,809 16 4
Cochineal and Coffee	- 17,000 0 0	- 20,957 17 1	- 3,957 17 1
<hr/>	<hr/>	<hr/>	<hr/>
Total	- £76,250 3 5	- £95,332 16 8	- £19,082 13 3

Included under the head of Spelter, the following item of advance occurs to the debit of the Bankrupt:—

Feb. 4, 1854. To Cash 185 tons Spelter - - - £3,960

The warrants for this Spelter formed part of a batch purporting to represent, in the whole, 567 tons of that metal and some 32 tons of Copper deposited by the Bankrupt with Messrs W. Short and Co. as security for a loan of 10,500/. granted to him by that firm, who, however, appear to have obtained the money for that purpose from Messrs

Overend, Gurney, and Co., on deposit with them of the same securities, the whole of which, with the exception of those representing the 185 tons Spelter, were known to be fictitious. The loan, as between Messrs Short and Co., and Overend, Gurney, and Co., was settled in terms of some order given on the latter by the former, dated 28th January, 1854, the effect of the arrangement between those parties being that the amount of the loan and interest, 10,803*l.* 9s. 10d., was transferred on the 3rd of February, 1854, by Messrs Overend, Gurney, and Co., to the debit of the Bankrupt, who appears to have satisfied it in the manner indicated in the following account furnished us by Messrs Overend, Gurney, and Co. in reply to our inquiries about the matter:—

(Copy) COLE, BROTHERS. 2nd Month, 3rd, 1854.

1853 12 30	Cash - .	£ 4,000	s. 0	d. 0	1854 1 11	Bill on Hud- son, due 27th April	£ 9,950	s. 0	d. 0
1854 2 3	Interest on ditto at 5 per cent.		19	3	7				
	Discount on ditto at 5 per cent.		113	1	7				
	W. Short and Co. - }	10,803	9	10	2 3	Advance on 185 tons of Spelter - }	3,960	0	0
						Bank and Money - }	1,025	15	0
		£14,935	15	0			£14,935	15	0

By this arrangement, Messrs Overend and Co., assuming the bill on Hudson to be paid, appear to have secured to themselves the difference between the value of the good securities taken over by them from Short and Co., and their advance of 3,960*l.*, and the debts which they transferred from Short and Co. to the debit of Cole, 10,803*l.* 9s. 10d.; and by the same operation to have avoided the necessity of an exposure by Cole to W. Short and Co. of the real quality of the securities on which they had granted him the loan of 10,500*l.*

The question inevitably suggested by a consideration of the facts developed by this investigation is—whether the benefits obtained by Messrs Overend, Gurney, and Co., in the way of a reduction of the

debt due to them by the bankrupt, after he had disclosed the frauds he had practised upon them, are to be regarded in the light of undue preference, which might be recovered by the assignees of the bankrupt? But upon this, as upon any other legal aspect which the case may present, we offer no opinion.

Messrs Overend, Gurney, and Co. have facilitated the inquiry, by promptly rendering explanations upon all the points arising during the progress of the investigation, on which it has been necessary to apply to them for information.

We remain, Sir,

Yours faithfully,

QUILTER, BALL, and CO.

The transaction with Messrs Short and Co., referred to in the preceding report, is thus stated by that firm in a letter to G. J. Graham, Esq., Official Assignee to the Bankrupt Cole's estate, dated 1 Newman's court, Cornhill, December 29, 1855.

Re J. W. COLE.

Sir,—We have your notes of the 27th and 28th instant. We had no correspondence with the Bankrupt in February, 1854. We wrote him a letter on the 23rd of January in that year, calling his attention to the Loan for 10,500*l.* being overdue, and enclose a copy of that letter, marked A; and we subsequently, on the 28th of that month, gave him an order on Messrs Overend, Gurney, and Co., for the Warrants, against payment of the Loan by the 31st. We enclose a copy of that order, marked B. We further enclose, marked C, the particulars of the Warrants relating to the Loan that we made to Cole, Brothers, but are unable to furnish the dates, though we may state they came into our possession in August, 1850, and January, 1851.

We are, &c.

Wm. SHORT and Co.

“A.”

London, 23rd January, 1854.

Messrs COLE, BROTHERS.

Dear Sirs,—Messrs Overend and Co. have sent to us rather angrily about the Loan per 10,500*l.*, which they say you have not arranged with them. On this we should like to see you to-morrow.

Yours faithfully,

Wm. SHORT and Co.

“B.”

London, 28th January, 1854.

Messrs OVEREND, GURNEY, and Co.

Gentlemen,—On or before the 31st instant, please deliver to Messrs Cole, Brothers, the Warrants for 566 Tons Spelter, and 32 Tons Tile and Sheet Copper, deposited with you as Security for Loan per 10,500*l.*, against payment by them of that amount to you, with the Interest due thereon.

We are, &c.,

Wm. SHORT and Co.

" C."

Particulars of Warrants lodged with Messrs Overend, Gurney, and Co., through Wm. Short and Co., by Messrs Cole, Brothers, as Security against the Loan for 10,500*l*.

Received 7th January, 1851.

	Tons.	cwt.	qrs.	lbs.	Spelter per
Fresh Wharf Warrant for	20	0	0	0	" Antelope," from Hull.
"	50	0	0	0	" Prince,"
*Hagen's Wharf	38	11	2	8	" Secreat,"
"	54	4	2	26	" British Queen,"
"	25	5	3	26	" Sisters,"
"	75	0	0	0	" Chevy Chase,"
"	37	2	1	14	" Victoria,"

Received 19th August, 1850.

Fresh Wharf	"	19	4	2	12	" Osprey,"	"
"	"	25	0	0	0	" Tanner,"	"
*Hagen's Wharf	"	40	0	0	0	" Star,"	"
"	"	20	6	2	2	" Star,"	"
Fresh Wharf	"	25	6	2	5	" Jasper,"	"
"	"	10	2	1	1	" Ark,"	"
*Hagen's Wharf	"	40	19	2	7	" Tanner,"	"
Fresh Wharf	"	12	2	0	12	" Laurel,"	"
"	"	23	4	1	15	" Gazelle,"	"
*Hagen's Wharf	"	25	5	3	26	" Sisters,"	"
"	"	25	0	0	0	" Jasper"	"

566 16 2 14 Spelter.

	Tons.	cwt.	qrs.	lbs.
*Hagen's Wharf Warrant for	10	0	0	0
Fresh Wharf	"	22	1	0 11

Sheathing Copper.

\* The Hagen's Wharf Warrants all fictitious, but Messrs Short and Co. were entirely ignorant of the real nature of the securities they held and did transfer to Cole.

## Account "A" referred to in

Dr.	COLE BROTHERS, in Account with	
1851.		£ s. d.
Oct. 18. To Cash	- - - -	10,000 0 0
,, 21. "	- - - -	4,070 0 0
,, 22. "	- - - -	2,000 0 0
		£16,070
Nov. 4. "	- - - -	8,790 0 0
,, 13. "	- - - -	6,000 0 0
,, 14. "	- - - -	3,870 0 0
,, 22. "	- - - -	4,760 0 0
		£37,490
Dec. 3. "	- - - -	3,300 0 0
,, 5. "	- - - -	2,800 0 0
,, 6. "	- - - -	1,800 0 0
,, 13. "	- - - -	1,140 0 0
,, 16. "	- - - -	920 0 0
,, 19. "	- - - -	6,070 0 0
,, 20. "	- - - -	2,440 0 0
,, 23. "	- - - -	2,800 0 0
,, 30. "	- - - -	1,850 0 0
,, 31. "	- - - -	8,500 0 0
,, " "	- - - -	10,000 0 0
,, " "	- - - -	5,240 0 0
		£86,350
Carry forward	- - -	£86,350 0 0

*preceding Report, Re J. W. COLE.*

OVEREND, GURNEY, and Co.

*Cr.*

1852.

Feb. 24. By Cash

£ s. d.

400 0 0

Mar. 1. , ,

100 0 0

, , 5. , ,

2,200 0 0

Carry forward - - - £2,700 0 0

Dr.

COLE BROTHERS, in Account with

1852.

					£	s.	d.
		Brought forward	-	-	86,350	0	0
Jan.	3.	To Cash	-	-	3,200	0	0
,,	8.	,,	-	-	2,600	0	0
,,	14.	,,	-	-	1,950	0	0
,,	21.	,,	-	-	3,985	0	0
,,	27.	,,	-	-	3,875	0	0
,,	31.	,,	-	-	4,090	0	0
				£106,050			
Feb.	21.	,,	-	-	3,070	0	0
,,	25.	,,	-	-	1,470	0	0
,,	28.	,,	-	-	4,600	0	0
				£114,790			
Mar.	6.	,,	-	-	2,700	0	0
,,	13.	,,	-	-	2,700	0	0
,,	19.	,,	-	-	3,200	0	0
,,	20.	,,	-	-	1,450	0	0
,,	,,	,,	-	-	1,130	0	0
,,	26.	To Interest	-	-	1,612	1	8
,,	,,	To Cash	-	-	717	18	4
				£128,700	0	0	
,,	26.	To Cash, balance brought down			126,000	0	0
,,	27.	,,	-	-	5,000	0	0
,,	30.	,,	-	-	700	0	0
				£128,910			
April	17.	,,	-	-	3,700	0	0
,,	19.	,,	-	-	2,200	0	0
,,	24.	,,	-	-	1,770	0	0
,,	,,	,,	-	-	5,240	0	0
,,	30.	,,	-	-	2,600	0	0
				£153,520			
		Carry forward	-	-	£147,210	0	0

OVEREND, GURNEY, and Co.

Cr.

1852.

Brought forward

£ s. d.  
2,700 0 0

Mar. 26. By Cash, balance carried down	-	-	-	126,000	0	0	
<hr/>							
£128,700						0	0
<hr/> <hr/>							

Dr.

COLE BROTHERS, in Account with

1852.			£	s.	d.
		Brought forward	-	-	147,210 0 0
May	8.	To Cash	-	-	2,580 0 0
,,	14.	,,	-	-	2,930 0 0
,,	20.	,,	-	-	5,980 0 0
,,	22.	,,	-	-	2,130 0 0
,,	31.	,,	-	-	4,180 0 0
				900 0 0	£206,680
June	4.	,,	-	-	5,400 0 0
,,	5.	,,	-	-	3,250 0 0
,,	12.	,,	-	-	3,660 0 0
,,	“	,,	-	-	5,600 0 0
,,	“	,,	-	-	7,500 0 0
,,	19.	,, *(July bal. at foot).	June bal.	£236,980	4,890 0 0
Aug.	5.	To Interest at 5 per cent.	-		3,036 17 7
,,	“	To Draft	-	-	2,753 2 5
Mar.	26.	To Cash	-	-	400 0 0
		August Balance	-	£237,220	
Sept.	2.	,,	-	-	6,000 0 0
,,	4.	,,	-	-	9,500 0 0
,,	20.	,,	-	-	†42,180 0 0
		September Balance	-	£252,240	
Dec.	24.	To Interest to 28th	-	-	4,448 19 8
					£264,528 19 8

\*June Balance - £236,980 }  
 Less Credited in July 2,660 } July Balance, £234,320.

† The sum of 42,180<sup>l.</sup> is made up as follows, viz. :

1852.		£	s.	d.	£	s.	d.						
April	30.	Cash	-	11,800	0	0	July 20.	Cash	-	2,660	0	0	
May	1.	,,	-	1,560	0	0	Aug.	28.	,,	-	2,890	0	0
,,	1.	,,	-	13,000	0	0	Oct.	21.	Draft	-	710	8	1
Carry forward		-	26,360	0	0	Carry forward		-	6,260	8	1		

1852.

£ s. d.

Mar. 29.	By Cash	-	-	-	-	-	1,100	0	0
„ 30.	„	-	-	-	-	-	2,090	0	0
April 7.	„	-	-	-	-	-	1,400	0	0
„ „	„	-	-	-	-	-	1,300	0	0
May 20.	„	-	-	-	-	-	600	0	0
„ „	„	-	-	-	-	-	870	0	0
Sept. 1.	„	-	-	-	-	-	480	0	0
Oct. 5.	„	-	September Balance	£252,240			1,250	0	0
„ „	„	-	Less Credit in Oct.	5,250			400	0	0
„ 9.	„	-					350	0	0
„ 15.	„	-	October Balance	-	246,990		1,000	0	0
„ 21.	„	-					2,250	0	0
Dec. 28.	By Draft	-	November Balance	246,990			4,438	19	8
„ „	By Balance—Loan at 5 per Cent.								
	for Three Months	-	-	-	-	-	247,000	0	0
							£264,528	19	8

	£	s.	d.		£	s.	d.		
Brought forward	26,360	0	0	Brought forward	-	6,260	8	1	
May 8. Cash	-	11,140	0	0	Oct. 11. Loan	-	42,180	0	0
„ 20. „	-	1,900	0	0					
„ 22. „	-	8,330	0	0					
Interest to 20th Sept.	710	8	1						
	£48,440	8	1						

Dr

COLE BROTHERS, in Account with

1852.

	£	s. d.
Dec. 28. To Balance brought over,		
Loan at 5 per cent. - - -	247,000	0 0

December Balance -	247,000
Less Credit in Jan. -	3,500
January Balance -	243,500
Less Credit in Feb. -	3,700
February Balance -	239,800
Less Credit in March -	10,220
March Balance -	229,580
Less Credit in April -	11,300
April Balance -	218,280
Less Credit in May -	6,900
May Balance -	211,380
Less Credit in June -	3,750
	<u>£207,630</u>

1853.

June 30. To Interest at 5 per cent. - - -	5,796 6 9
	<u>£252,796 6 9</u>
June 30. To Balance, Loan at 5 per cent. - - -	207,630 0 0
,, To Cash - - - - -	4,125 0 0
,,    ,, - - - - -	4,500 0 0
June Balance - -	£216,255
Oct. 19.    ,, Spelter, 508 tons - - - - -	7,620 0 0
,, 20.    ,, Charges, Freight, and Wharfage - - -	63 6 2
,, 21.    ,, Sundry Charges - - - - -	130 12 0
,,    ,,    Ditto - - - - -	166 18 5
Carry forward - - - - -	<u>£224,235 16 7</u>

## OVEREND, GURNEY, and Co.

Cr.

1853.		£	s.	d.
Jan. 29.	By Cash - - - - -	3,500	0	0
Feb. 15.	," - - - - -	600	0	0
," 21.	," - - - - -	1,100	0	0
," 22.	," - - - - -	2,000	0	0
Mar. 19.	," - - - - -	3,420	0	0
," 23.	," - - - - -	6,800	0	0
April 22.	," - - - - -	3,000	0	0
," 23.	," - - - - -	2,300	0	0
," 28.	," - - - - -	4,000	0	0
," 30.	," - - - - -	2,000	0	0
May 2.	," - - - - -	400	0	0
," 17.	," - - - - -	4,000	0	0
," 28.	," - - - - -	2,500	0	0
June 9.	," - - - - -	3,750	0	0
," 30.	By Draft due - - - - -	5,796	6	9
," ,	By Balance—Loan, at 5 per Cent. for Three Months - - - - -	207,630	0	0

£252,796	6	9
July 1. By Cash - - - - -	4,600	0
," 11. , - - - - -	4,400	0
," 27. , - - - - -	4,200	0
," 29. , - - - - -	2,500	0
Aug. 1. , - - - - -	2,400	0
," 3. , - - - - -	2,500	0
Oct. 17. , - - - - -	3,000	0
," , , - - - - -	1,000	0
Carry forward - - - - -	£24,600	0

Dr.

## COLE BROTHERS, in Account with

1853.

					£	s.	d.
		Brought forward	-	-	224,235	16	7
Nov.	1.	To Cash 68 tons Spelter	-	-	927	3	5
„	4.	„ 50 „	-	-	700	0	0
„	11.	„ London Dock Charges, Copper	-	-	1	8	8
„	“	Ditto Tin	-	-	11	4	10
„	12.	200 tons Spelter	-	-	3,400	0	0
„	14.	Charges „	-	-	8	18	9
„	“	148 tons „	-	-	2,495	0	0
„	16.	Charges „	-	-	5	15	7
„	“	„ „	-	-	26	18	11
„	19.	Bill Stamp, Spelter sold Grenfell	-	-	2	12	6
„	“	Brokerage and Bill Stamp, Governor	-	-	11	19	10
„	“	Dimmack and Co.	-	-	13	11	6
„	“	20 tons Spelter	-	-	300	0	0
„	“	Rent paid Bogillis on Tin Plates	-	-	23	5	0
„	“	59 tons Spelter	-	-	1,000	0	0
„	21.	105 tons Spelter	-	-	1,785	0	0
„	22.	Charges 60 tons	-	-	1	13	4
„	23.	„ „	-	-	12	8	10
Dee.	5.	80 tons Spelter	-	-	1,200	0	0
„	6.	Charges on 100 tons Lead	-	-	9	11	10
„	“	Short delivered Gewt. 3qrs. 3lb. Spelter to Williams Foster	-	-	7	5	8
„	31.	To Interest 5 per Cent.	-	-	3,846	6	0
		Carried forward	-	-	£240,026	1	3

OVEREND, GURNEY, and Co.

Cr.

1853.			£	s.	d.
	Brought forward	-	24,600	0	0
Oct. 11.	By Cash, 100 tons Spelter	-	2,052	7	3
,, 22.	By Proceeds, Spelter	-	8,468	6	8
,, 11.	100 tons Spelter	-	2,045	10	6
,, 28.	5 tons Tin	-	661	10	9
,, 29.	By Deposits on 1,500 tons Iron	-	510	15	0
Nov. 9.	By Proceeds of 1,000 tons Iron, less De-				
	posit	-	3,073	11	5
,, "	By Account Lead (100 tons)	-	2,000	0	0
,, "	By Account 600 Kegs Steel	-	482	10	0
,, 11.	By Balance 100 tons Lead	-	36	1	1
,, "	By Overcharge by Groves	-	1	5	11
,, "	By Cash on Account Tin, by Enthoven	-	2,300	0	0
,, 17.	Proceeds 500 tons Iron, less De-				
	posit	-	1,534	18	2
,, 18.	25 tons Spelter	-	536	10	0
,, 21.	on Account 100 tons Lead	-	1,000	0	0
,, "	Proceeds 23 tons 18 cwt. Spelter	-	509	4	0
,, 26.	Deposit on Tin, per J. H. Schroder	-	760	10	0
,, "	5 tons Tin Ryns	-	600	0	0
,, 29.	Tin per Enthoven	-	2,000	0	0
,, "	ditto	-	2,450	0	0
Dec. 3.	Proceeds 100 tons Spelter	-	2,156	8	10
,, 6.	26 tons 1ewt. 3qrs. 5lbs.	-	561	10	10
,, 7.	7 Tin, &c.	-	90	0	0
,, 8.	7 "	-	180	0	0
,, 9.	Balance of Tin per Enthoven	-	713	12	11
,, 12.	On account per M. Thomas	-	480	0	0
,, "	Deposits on Tin, &c.	-	55	0	0
,, 30.	Proceeds 200 tons Spelter	-	4,233	8	10
,, 31.	Davidson and Gordon, Promissory				
	Note, bearing Interest from				
	27 October, 1853	-	*120,000	0	0
	Carried forward	-	184,093	8	2

\* This sum, although credited, was never paid, presented, or noted.—See p. 224.  
s. l.

Dr.

COLE BROTHERS, in Account with

1853.			£	s.	d.
	Brought forward	- - -	240,026	1	3
1853.					
Dec. 31.	To Balance brought forward	- - -	41,500	18	9
Oct. 11.	To Brokerage 200 tons Spelter	- - -	42	6	8
"    "	"    on Copper, 42 tons 16 cwt.,				
	Cash, 7 February	- - -	21	6	0
1854.					
Jan. 1.	To Balance brought down	- - -	41,564	11	5
Feb. 3.	To Cash	- - -	3,900	0	0
"    4.	"    Paid WEC for 50 Tons Spelter	-	750	0	0
"    10.	"    "    "	-	753	0	0
"    15.	"    Assay of Copper	- - -	1	0	0
"    "    "	Add rent on Spelter G. F. Muntz		1	4	4
"    "    "	Sampling Tin sold Enthoven	-	6	10	11
"    20.	"    Received Sargent and Co.	- -	*17,000	0	0
	Carried forward	- - -	£64,036	6	8

\* Refer for the explanation of this item to page 235.

OVEREND, GURNEY, and Co.

Cr.

1853.		£	s.	d.
	Brought forward	184,093	8	2
Dec. 31.	By Cash, Proceeds of Spelter Sold by G. F. Muntz, Cash, 14th January, 1854	3,290	14	8
,, "	Proceeds of 679 bgs Coffee, Cash, 14th January, 1854	1,525	9	1
,, "	Proceeds of 500 Slabs Tin per Gov. and Copper Mines, Cash, 3rd February, 1854	2,147	19	1
,, "	Proceeds of 42 tons 16 cwt. Copper, Cash, 7th February, 1854	4,386	14	1
,, "	Balance of Proceeds 500 Boxes Tin Plates sold Blyths, Cash, 13th February, 1854	631	2	6
,, "	Proceeds 661 Slabs Tin sold Dimmack, Cash, 6th March, 1854	2,449	14	11
,, "	By Balance carried forward	41,500	18	9
		£240,026	1	3
1854.				
Jan. 2.	By Cash on account of 34 tons Tin per J. H. Schroder	3,580	0	0
,, 6.	238 tons Spelter at 22 <i>l.</i> 10 <i>s.</i> , per Cole, Brothers	5,360	0	0
,, 18.	2 tons Tin, &c.	180	0	0
,, 19.	By Balance Proceeds of 250 Slabs Tin ex Leonor, per French	269	7	10
,, "	By Cash Proceeds of Spanish Lead per Lockerby	23	1	4
,, 21.	By Spelter, 30 tons 8 cwt.	715	0	0
Feb. 4.	By Cash	14	8	0
,, 6.	account Spelter 10. 22. 53	500	0	0
,, "	24	210	0	0
,, "	11. 2	500	0	0
	Carry forward	£11,351	17	2

Dr.

COLE BROTHERS, in Account with

			£	s.	d.
1854.					
Feb. 20.	To Balance brought forward	- - -	64,036	6	8
Feb. 28.	To Balance (of account rendered)	- - -	45,474	5	11
Mar. 11.	To Cash, additional Rents on 679 bags Coffee	-	7	4	10
,, 20.	To Charges Tin sold	- - - - -	8	19	11
April 15.	To Cash	- - 6 per cent. to 4/22	2,170	0	0
May 1.	,,	- - - - -	2,500	0	0
,, 4.	,,	- - - - -	3,250	0	0
,, "	,,	- - - - -	2,500	0	0
,, 5.	,,	- - - - -	1,900	0	0
,, 9.	,,	- - - - -	4,000	0	0
,, 26.	To Charges Chain Wharf	- - - - -	0	4	0
,, 25.	To Cash	- - - 6½ - -	3,000	0	0
,, 26.	,,	- - - - -	4,140	0	0
,, 29.	To Charges Spelter	- - acet. 2/3	107	19	5
,, "	,,	- -	4/15	4	16
,, "	,,	- -	5/1	22	17
,, "	,,	- -	5/5	18	13
,, "	,,	- -	5/4	13	9
,, "	,,	- -	5/9	1	6
,, "	,,	Coffee	5/15	10	18
,, "	,,	- -	"	12	12
,, "	,,	Spelter	5/1	5	2
,, "	,,	Tin	5/4	1	1
,, "	,,	"	"	4	8
June 3.	To Cash 50 Tons Spelter	- - - - -	800	0	0
	Carry forward	- - - - -	£69,954	0	8

OVEREND, GURNEY, and Co.

Cr.

1854.		£	s.	d.
	Brought forward	-	-	11,351 17 2
Feb. 6.	By Cash, Balance Proceeds of 100. 4. 2. 19			
	Spelter, Cash, 15th November	884	13	3
,, "	Proceeds of 98 tons Spelter, Cash,			
	1st November	2,090	19	8
,, 10.	On account 2/3 Spelter delivered	1,100	0	0
,, "	- - - - -	12	8	2
Jan. 17.	Part Proceeds (Bal.) of 65 tons			
	Banca Tin per J. H. Schroder	3,122	2	6
Feb. 23.	By Balance carried forward	-	-	45,474 5 11
		£	64,036	6 8
Mar. 20.	By Cash, Balance of Proceeds 15 Brls. R. Tin	21	7	5
,, "	69 cwt. Tin	17	18	7
24.	20 tons Tin Plates	500	0	0
April 5.	50 Bags Cochineal	1,321	19	0
,, 15.	12 tons Steel	250	0	0
,, 24.	30 Bags Cochineal	1,150	0	0
,, "	15 tons Tin Plates	375	0	0
May 9.	10 "	250	0	0
,, 13.	On Acct. 2/3 and 4/18	180	0	0
June 5.	90 Bags Cochineal	2,000	0	0
,, 10.	By Proceeds 201 t. 11 c. Spelter, Cash, Sept. 11	4,424	17	5
,, 14.	By Cash, 126 Bags Cochineal	400	0	0
,, 15.	160 " Coffee	320	0	0
,, 16.	121 " "	240	0	0
,, 17.	Dep. Tin per Betts	92	1	2
,, 19.	on Acct. "	100	0	0
,, "	8 Bags Cochineal	200	0	0
,, "	164 Bags Coffee	330	0	0
,, 20.	164 " "	320	0	0
,, 21.	Proceeds 50 tons 15 cwt. Spelter	1,091	12	2
,, "	12 tons 12 cwt. Banca			
	Tin, G. and Co., Cash, 19th Oct.	1,498	15	9
	Carry forward	-	-	£15,083 11 6

Q

Dr.

COLE BROTHERS, in Account with

			£	s.	d.
1854.		Brought forward	-	-	69,954 0 8
June 3.	To Cash, 91 tons Copper	-	-	8,500	0 0
,, 5.	Charges 85 <i>l.</i> W.	-	-	4	6 0
,, "	" "	-	-	79	11 6
,, "	90 tons Spelter	-	-	1,600	0 0
,, 7.	Charges Winchelsea Wharf	-	-	3	2 0
,, "	"	-	-	6/3	4 4 4
,, "	"	-	-	6/5	7 17 1
July 19.	Brokerage and Stamps on 20 tons Tin	-	-	7/8	13 15 2
,, "	Brokerage and Stamps on 12 tons Tin	-	-	6/4	8 5 11
,, "	201 tons Spelter	-	-	6/10	45 16 10
Aug. 1.	Weighing Copper	-	-	-	21 0 0
,, 2.	" "	-	-	-	22 1 0
,, 11.	Manchester, Sheffield, &c. Railway Charges on Banca Tin	-	-	-	27 11 9

Carry forward	-	-	-	£80,291	12 3
---------------	---	---	---	---------	------

OVEREND, GURNEY, and Co.

Cr.

1854.		£	s.	d.
	Brought forward	-	-	15,083 11 6
June 21.	By Cash, 60 Bags Coffee	-	-	120 0 0
,, 22.	256 „ „	-	-	500 0 0
,, 23.	839 „ „	-	-	1,680 0 0
,, „	250 tons 13 cwt. Spelter	-	-	5,261 9 7
,, „	121 „ 1 „ „	20th Sept.	2,614	5 3
,, 24.	15 Bags Cochineal	-	-	250 0 0
,, 26.	454 „ Coffee	-	-	900 0 0
,, „	3 „ Cochineal	-	-	75 0 0
,, 27.	319 „ Coffee	-	-	640 0 0
,, 28.	on acet. 140 Bags Coffee	-	-	280 0 0
,, 29.	568 „ „	-	-	1,140 0 0
,, „	11 „ Cochineal	-	-	275 0 0
,, „	132 Ingots 10 Brls. E. Tin	-	-	422 3 5
,, 30.	85 Bags Coffee	-	-	170 0 0
,, „	5 Bags Cochineal	-	-	125 0 0
,, „	2 „ „	-	-	50 0 0
July 1.	10 „ „	-	-	250 0 0
,, 4.	6 „ „	-	-	150 0 0
,, „	122 „ Coffee	-	-	250 0 0
,, 5.	40 „ „	-	-	80 0 0
,, 6.	6 „ Cochineal	-	-	150 0 0
,, 7.	1 „ „	-	-	25 0 0
,, „	60 „ Coffee	-	-	120 0 0
,, 8.	9 „ Cochineal	-	-	225 0 0
,, „	20 tons 17 cwt. Tin, Cash, 10th Nov.	2,485	19	0
,, 13.	511 Bags Coffee	-	-	1,000 0 0
,, „	3 Bags Cochineal	-	-	75 0 0
,, 15.	1,005 „ Coffee	-	-	2,000 0 0
,, „	50 tons Spelter	-	-	1,083 5 8
,, 18.	20 Bags Cochineal	-	-	500 0 0
,, „	360 „ Coffee	-	-	700 0 0
	Carry forward	-	-	£38,680 14 5

Dr.

## COLE BROTHERS, in Account with

1854.

£ s. d.

Brought forward - - - 80,291 12 3

Oct.	3.	To Cash, Rent English Tin	-	-	-	2	5	6
"	6.	Charges Tin at Hull	-	-	-	5	0	3
"	17.	," L. Dks.	-	-	-	1	8	3
Nov.	10.	Spelter, Fresh Wharf	-	-	-	12	13	4

Carried forward - £80,312 19 7

OVEREND, GURNEY, and Co.

Cr.

1854.		£	s.	d.
	Brought forward -	-	-	38,680 14 5
July 20.	By Cash, 60 Bags Coffee -	-	-	120 0 0
21.	,, 13 „ Cochineal -	-	-	325 0 0
,, 24.	,, 500 „ Coffee -	-	-	1,000 0 0
,, 26.	,, 400 „ -	-	-	800 0 0
,, 27.	,, 1 Bag Cochineal -	-	-	25 0 0
,, 29.	,, 200 Bags Coffee -	-	-	400 0 0
	Balance of Proceeds 8,161 Bags Coffee	3,755	1	11
Aug. 11.	,, 75 Bags Cochineal -	-	-	156 5 5
,, 14.	,, 1,567 Slabs Tin Copper -	-	-	1,188 1 0
,, 19.	,, 1 Bag Cochineal -	-	-	25 0 0
,, 21.	,, 1 „ „ -	-	-	25 0 0
,, 21.	,, 5 „ „ -	-	-	125 0 0
,, 21.	,, Proceeds 9. 8. E.I. Tin -	-	-	1,047 0 5
,, 21.	,, „ 48 Cases Sheets Copper,			
	Cash 2/22/55 -	-	-	1,545 15 9
Sept. 2.	,, 2 Bgs Cochineal -	-	-	175 0 0
,, 23.	,, 34 „ -	-	-	850 0 0
,, 23.	,, 7 „ -	-	-	175 0 0
,, 30.	,, 6 „ -	-	-	150 0 0
Oct. 5.	,, Proceeds 15½ tons Banca Tin from			
	Hull -	-	-	1,747 18 5
,, 9.	,, Balance 5. 12. English Tin sold to			
	Balls -	-	-	456 4 11
,, 13.	,, 100 Slabs Tin at Hull -	-	-	353 4 10
,, 14.	,, Balance Proceeds Cochineal sold -			45 13 5
,, 19.	,, On account 20 tons Copper sold			
	Stewart -	-	-	2,400 0 0
Nov. 7.	,, Proceeds 10 tons 1 cwt. Copper Sheets	1,194	12	3
,, 9.	,, 50 tons Spelter -	-	-	1,146 1 8
,, 14.	,, 97 tons 17 cwt. „ -	-	-	2,243 1 3
,, 15.	,, 50 tons „ -	-	-	1,150 13 5
,, 16.	,, 400 slab Tin at Hull -	-	-	1,300 0 0
	Carry forward -	-	-	£62,605 9 1

Dr.

COLE BROTHERS, in Account with

1854.

£ s. d.

Brought forward - - - 80,312 19 7

Dec. 30. To Balance brought forward - - - \*6,530 0 10

\* The first account that Overend and Co. furnished to the Assignees left a balance in their favour of £6,530 0s. 10d., as shown above. When a dividend meeting took place they presented the bill for £120,000, and, in consequence, no dividend could at that time be declared.

S. L.

OVEREND, GURNEY, and Co.

Cr.

1854		£	s.	d.
	Brought forward	-	-	62,605 9 1
Nov. 17.	By Cash, 10 tons Copper	-	-	1,218 17 2
Dec. 2.	„ 50 tons Spelter	-	-	1,165 17 6
„ 13.	„ Balance Proceeds 400 Tin slabs	-	91	14 8
„ 30.	„ Proceeds 10 tons 1 cwt. Ingots			
	Copper	-	-	1,137 12 3
„ „	„ Proceeds 13 tons 1 cwt. Sheet Copper		1,563	8 1
„ „	„ Value 50 Tons Sheet Copper			
	Shipped to India	-	-	6,000 0 0
	Carried forward	-	-	6,530 0 10
		£	80,312	19 7

Against which Overend, Gurney, and Co. hold 10 tons Tin Plates.

## Account "B."

Re J. W. COLE.

Statement of particulars of transactions originating subsequently to the 5th October, 1853, and resulting together in a diminution of 15,381*l.* 10*s.* 1*d.* in the debt due at that date by the Bankrupt to Messrs Overend, Gurney, and Co.

## COPPER.

Date of Realisation of Securities.	Weight. Tons. Cwt.	Description.	£ s. d.	£ s. d.
1854.				
Aug. 11	9 19	1,567 Slabs Tile -	1,188 1 0	
,, 22	12 1	48 Cases Sheet -	1,545 15 9	
Oct. 19	20 0		2,400 0 0	
Nov. 7	10 1	Sheets - - -	1,194 12 3	
,, 17	50 0	Shipped to India -	6,000 0 0	
,, ,	10 0		1,218 17 2	
Dec. 30	10 1	Ingots - - -	1,137 12 3	
,, ,	13 1	Sheet - - -	1,563 8 1	
	1 17	Difference in Weight		
	137 0		16,248 6 6	
		Less Charges -	162 14 5	
			16,085 12 1	
		ADVANCES.		
1854.			£	
May 25	31 0	Copper Sheets	3,000	
,, 26	15 0	,,	1,350	
June 3	20 0	Copper Tiles		
	71 0	Sheets - } 8,500		
	137 0		12,850 0 0	
		Carried forward -		3,235 12 1

Brought forward - - - - £3,235 12 1

## TIN.

Date of Realisation of Securities.	Weight. Tons. Cwt.	Description.	£ s. d.
1854.			
June 21	12 12		1,498 15 9
July 8	20 17		2,485 19 0
Oct. 5	15 10	Banca at Hull -	1,747 18 5
,, 13	3 2	100 Slabs at Hull -	353 4 10
,, 16	12 0	400 Slabs ,, -	1,300 0 0
Dec. 13	0 8	Balance 400 Slabs -	91 14 8
		Difference in Weight	
	64 9		7,477 12 8
		Less Charges -	59 8 1
			7,418 4 7
ADVANCES.			
1854.			£
May 4	33 9	- - -	3,250
,, 27	31 0	{ At 90% Banca at Hull - } 2,790	
	64 9		6,040 0 0
			1,378 4 7
Carried forward - - -			
			£4,613 16 8

Brought forward - - £4,613 16 8

Date of Realisation of Securities.	Weight. Tong. Cwt.	SPELTER.	£ s. d.
1853.			
Oct. 22	509 0	Part of 564 -	10,593 11 4
,, ,	100 0	Cash at Sundry Dates	2,094 13 3
Nov. 19	25 0		536 10 0
,, 21	23 0		509 4 0
Dec. 3	100 0		2,156 8 10
,, 6	26 0		561 10 10
1854.			
Jan. 6	178 0	Part of 238 -	4,010 0 0
,, 21	29 0	,, 30½ -	679 0 0
Feb. 4			14 8 0
,, 6	30 0	,, 98 -	620 19 8
,, 10	50 0		1,100 0 0
,, ,			12 8 2
May 13		On Acct. Loan, Feb. 3 and April 18 -	180 0 0
June 10	201 0		4,424 17 5
,, 21	50 0		1,091 12 2
,, 22	250 0		5,261 9 7
,, 24	121 0		2,614 5 3
July 15	50 0		1,083 5 8
Nov. 9	50 0		1,146 1 8
,, 14	98 0		2,243 1 3
,, 15	50 0		1,150 13 5
Dec. 20	50 0		1,165 17 6
	1,990 0	Carried forward -	43,249 18 0

Carried forward - - £4,613 16 8

Brought forward - - - £4,613 16 8

## SPELTER (Continued).

				£ s. d.
Brought forward				43,249 18 0
Less Charges				710 1 8
ADVANCES.				42,539 16 4
1853.	Tons.	Cwt.		£
Oct. 19	508	0	- - -	7,620
Nov. 14	200	0	- - -	3,400
" "	148	0	- - -	2,495
" 19	59	0	- - -	1,000
" 21	105	0	- - -	1,785
1854.				
Feb. 4	185	0	Transferred from	
			Short - -	3,960
April 15	98	0	" "	2,170
May 2	125	0	" "	2,500
" 5	125	0	" "	2,500
" "	95	0	" "	1,900
" 9	202	0	" "	4,000
June 3	50	0	" "	800
" 6	90	0	" "	1,600
				35,730 0 0
				6,809 16 4
	<u>1,990</u>	<u>0</u>		
	<u>=====</u>	<u>=====</u>		

Carried forward - - - £11,423 13 0

Brought forward - - - £11,423 13 0

## COCHINEAL AND COFFEE.

Date of Realisation of Securities.	Bags.	Description.	£	s.	d.
1854.					
June 5	90	Cochineal	-	-	-
„ 14	12	„	-	-	-
„ 19	8	„	-	-	-
„ 21	15	„	-	-	-
„ 30	5	„	-	-	-
July 1	10	„	-	-	-
Aug. 19	1	„	-	-	-
Sept. 23	34	„	-	-	-
June 15	160	Coffee	-	-	-
„ 16	121	„	-	-	-
„ 19	164	„	-	-	-
„ 20	160	„	-	-	-
„ 21	60	„	-	-	-
„ 22	256	„	-	-	-
„ 23	839	„	-	-	-
„ 26	454	„	-	-	-
„ 27	319	„	-	-	-
„ 28	140	„	-	-	-
„ 29	568	„	-	-	-
„ 30	85	„	-	-	-
July 4	122	„	-	-	-
„ 5	40	„	-	-	-
„ 7	60	„	-	-	-
	3,723	Forward	11,190	0	0

Carried forward - - - £11,423 13 0

Brought forward - - - - £11,423 13 0

## COCHINEAL AND COFFEE (Continued).

Date of Realisation of Securities.	Bags.	Description.	£	s.	d.
1854.					
Forward	3,723	Brought forward - - - -	11,190	0	0
July 13	511	Coffee - - - - -	1,000	0	0
,, 15	1,005	,, - - - - -	2,000	0	0
,, 18	361	,, - - - - -	700	0	0
,, 20	60	,, - - - - -	120	0	0
,, 21	500	,, - - - - -	1,000	0	0
,, 24	400	,, - - - - -	800	0	0
,, 27	200	,, - - - - -	400	0	0
,, 29	1,576	,, - - - - -	3,755	1	11
	8,336		20,965	1	11
		Less Charges - - -	7	4	10
			20,957	17	1
		ADVANCES.			
1854.					
Feb. 28	175	Cochineal—Sargent and Co.			
,, "	8,161	Coffee - - - do. } 17,000	0	0	
	8,336				
			3,957	17	1
			15,381	10	1

*Addendum to Messrs Quilter and Ball's Report of  
21st November, 1855.*

---

*Re COLE.*

---

57 COLEMAN STREET,  
5th February, 1856.

WILLIAM MURRAY, Esq.,

DEAR SIR,

Enclosed we hand you a statement showing the particulars of the Bankrupt's transactions with Messrs Overend, Gurney, and Co., by way of advances on Copper, between October, 1853, and the suspension. With reference to the advance of the sum of 8,500*l.*, we have obtained the following information verbally from the Bankrupt. That this loan was made to him on Saturday the 3rd of June, 1854, for one week, on the deposit of the Copper set forth in the statement, that on the following Saturday he did not re-pay the loan, but offered to pay the amount on the following Monday, June 12th, which Messrs Overend, Gurney, and Co. refused to receive, and retained and realised the securities which produced (according to the statement) the sum of 10,746*l.* 17*s.* 1*d.*, being in excess of the advance against which they were deposited to the extent of 2,246*l.* 17*s.* 1*d.*, which was merged in the general account. But from inquiries we have made, we believe it will be found that this total surplus ultimately has exceeded this result by some 600*l.*, or thereabouts, arising from Cole having been credited with 6,000*l.*, which was obtained by Messrs Overend, Gurney, and Co. on account of a shipment of a portion of the Copper

deposited, which shipment ultimately, as we understand from Messrs Overend, Gurney, and Co., realised on sale about 600*l.* beyond the sum so paid on account of it; so that the benefit to Messrs Overend, Gurney, and Co., arising from the transactions which originated in the loan of 8,500*l.* on the 3rd of June, amounts to 2,850*l.* or thereabouts, subject, it may be, to some deduction for interest and charges.\* How far the refusal to receive back the amount of the loan on the 12th of June was warranted in law, we submit to your consideration, but whether legally entitled or not to take that course, it was undoubtedly not in unison with the usual practice observed in such cases, and was, to say the least, rather sharp practice.

We remain, &c.

QUILTER, BALL, & CO.

\* This sum was retained by Messrs Overend, Gurney, and Co., until the threat of legal proceedings by Cole's Assignees compelled them to give up the amount, as well as to relinquish claims upon the estate to the extent of 126,530*l.* 0s. 10d. Mr Murray, the solicitor to Cole's Assignees, refers to the first-mentioned sum in the following extract of a letter, dated London Street, March 20, 1856, in which he says: "I have this morning exchanged agreements with Messrs Overend, Gurney, and Co.'s solicitor, received the 3,000*l.*, and paid the amount into the Bank of England to the credit of the estate."

S. L.

## Re J. W. COLE.

Memorandum as to COPPER deposited with Overend, Gurney, &amp; Co.

		Amount advanced.	Amount realised.	Surplus.
		£	£ s. d.	£ s. d.
1854.				
May 25.	120 Cases of Copper	- - -	3,000	3,701 9 5
Aug. 22.	Proceeds			701 9 5
	40 cases			
	say - 1,288 0 0			
Nov. 7.	Ditto	1,194 12 3		
Nov. 17.	Ditto	1,218 17 2		
		<hr/>	<hr/>	<hr/>
		£3,701 9 5		
May 26.	60 Cases of Copper	- - -	1,350	1,800 0 0
Oct. 19.	Proceeds			450 0 0
	60 cases			
	say - £1,800 0 0			
June 3.	200 Cases, 1,567 Tiles, and } 10 tons Ingots Copper	- - - }	8 500	10,746 17 1
Aug. 11.	Proceeds			2,246 17 1
	1,567			
	Tiles 1,188 1 0			
Aug. 22.	Proceeds			
	8 Cases 257 15 9			
Oct. 19.	Proceeds			
	20 Cases 600 0 0			
Nov. 17.	Shipment			
	120 Cases			
	advance* 6,000 0 0			
Dec. 30.	Proceeds			
	10 Tons			
	Ingots 1,137 12 3			
Dec. 30.	Proceeds			
	52 Cases 1,563 6 1			
		<hr/>	<hr/>	<hr/>
		£10,746 17 1		
Deduct	Amount paid for } Wharf and other Charges }		12,850	16,248 6 6
				3,398 6 6
				162 14 5
			£ 12,850	16,085 12 1
				3,235 12 1

\* The shipment of 120 cases realised, we are informed, about 600L, in addition to the advance of 6,000L.

QUILTER, BALL, &amp; CO.

5th February, 1856.

The following letters explain the entry of 17,000*l.*, on the 20th Feb. 1854, in the debtor account of Cole with Messrs Overend, Gurney, and Co.:—

London, 20th February, 1854.

Sirs,

With reference to the advances you have obtained from Messrs Overend, Gurney, and Co., on our Coffee and Cochineal, we have to request that you will deliver to them the said Coffee and Cochineal on their reimbursing you the advance and interest for our account.

Yours, obediently,

Messrs Sargent and Co.

COLE, BROTHERS.

(Copy)

London, March 3, 1854.

Gentlemen,

We beg to acquaint you that, under the authority contained in your letter of 20th ult., addressed to Sargent and Co., they have transferred to us, for your account,

8,161 Bags Coffee, and

176 „ Cochineal,

on our crediting them the sum of 17,000*l.*, which we have accordingly done, and debit you for the same as cash, 28th ult.

We remain, yours respectfully,

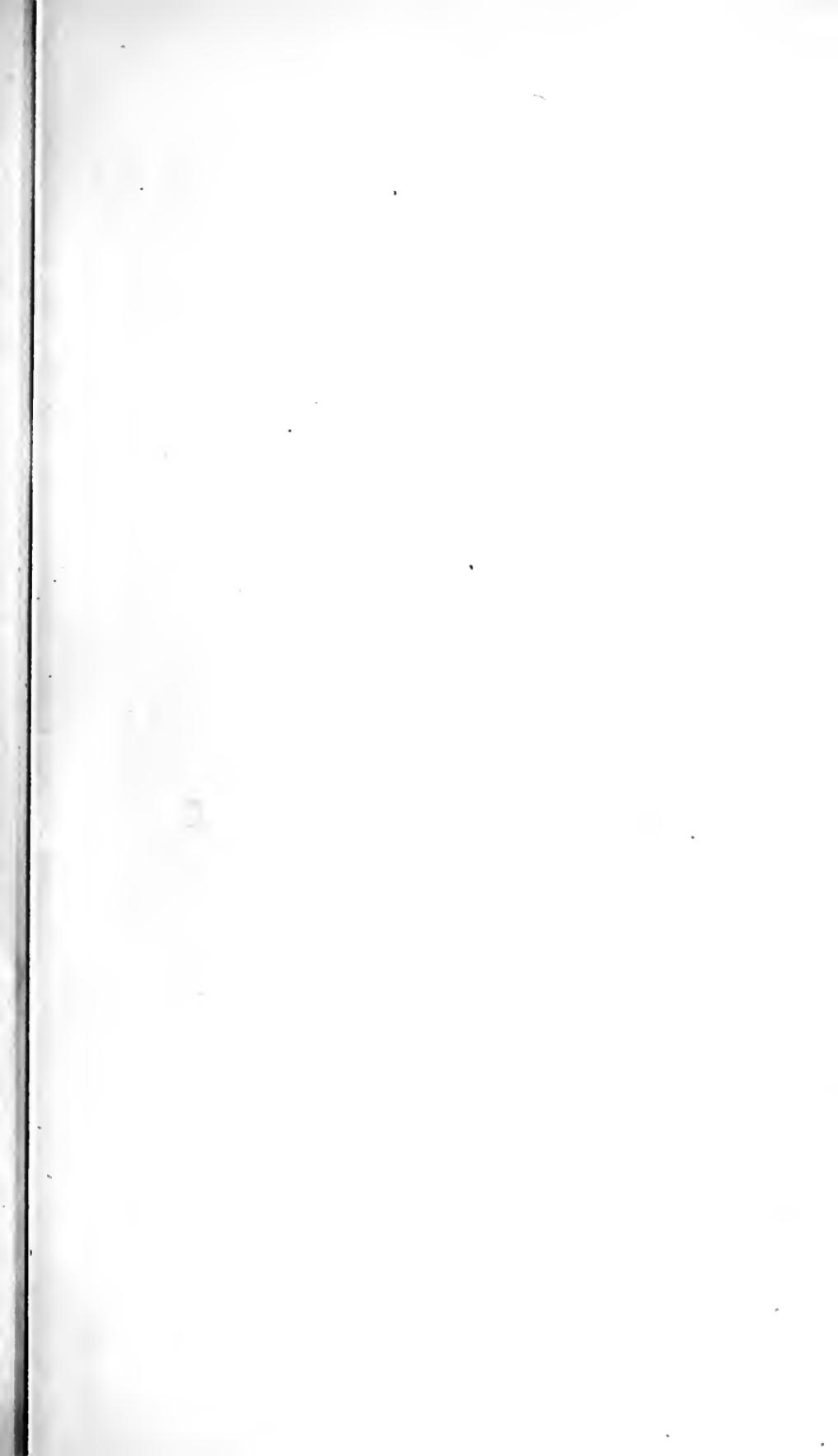
(Signed)

OVEREND, GURNEY, and Co.

Messrs Cole, Brothers.

N.B.—The goods mentioned in the above letter realised 20,957*l.* 17s. 1d., showing that Messrs Overend, Gurney, and Co. gained 3,957*l.* 17s. 1d. by this transfer.—See Quilter and Ball's Report, page 201.

0





BINDING SECT. JUL 5 - 1968

PLEASE DO NOT REMOVE  
CARDS OR SLIPS FROM THIS POCKET

---

UNIVERSITY OF TORONTO LIBRARY

---

